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AGREEMENT

Between

**Borg-Warner Automotive
Diversified Transmission
Products Corporation
Muncie Plant**

Muncie, Indiana

and

**International Union, United
Automotive, Aerospace and
Agricultural Implement Workers
of America (UAW)
and its**

Local No. 287

December 10, 2000 - 3/12/06

In the administration and application of this Agreement neither the Company nor the Union shall discriminate against any employee because of the individual's age, race, color, religion, sex, national origin, veteran status, or disability.

The Company, in an effort to further the principles of equal employment opportunity, shall continue to implement appropriate affirmative action programs to comply with federal and state laws and regulations.

INDEX

PAGE

Absenteeism

- Bona Fide Illness (Letter of Understanding)21
- Replacement of, Skilled Trades
(Memorandum of Understanding #1)145

Accession Reports60

Acquisition of Seniority21

Address Cards

- Failure to Notify Company of Change
(Letter of Understanding)57
- Filing of55

Adjustments to Pay Records

- (Letter of Understanding)142

Agency Shop5

Agreement

- Duration and Scope of122
- Modification122
- Owner/Operator72
- SPC180

Alternate Union Representatives9

Application of Seniority22

Apprenticeship Standards67

Arbitration16

Article Eight "A" (Owner Operators)72

- Allowances76
- Foreman's Response Time (Letter of Understanding) .142
- Instruction Time77
- Production Groups72
- Special Work75
- Union Representatives/Production Measurement78

Authorization to Check Off Union Dues and V-Cap . . .4

Bar Stock—Toolroom (Letter of Understanding) . . .169

Bargaining Unit—Recognition1

Bereavement Pay101

Break Times76

Bulletin Boards117

Bumps (see Shift Preference)47

Call-in Pay99

Cameras -Use of Cameras in Plant

- (Letter of Understanding)143

Change or Promotion to Other Occupation37

- Limited Occupation—Vacancies Due to
Sickness or Injury (Letter of Understanding)37
- Open Job (Letter of Understanding)41

Change-Over Employees45

	<u>PAGE</u>
Changing Occupations	61
Civil Rights Committee (Letter of Understanding) ..	139
Clothing (Outdoor)	111
Committee (See Negotiating Committee)	8
Computer Read-outs	78
Cost-of-Living Allowance	68
Defective Material—Work on	143
Disabled Employees	
■ Placement of	115
■ Reduction, Placement of (Letter of Understanding)	27
Disciplinary Action	18
■ Attendance at Disciplinary Meeting	11, 18
■ Bona Fide Illness (Letter of Understanding)	20
■ Insurance Paid	19
Doctor-Pay for (Letter of Understanding)	110
Double Shifts	62
Double Time	80
Duration & Scope of Agreement	122
Duty to Cooperate	121
EEOU	178
■ Application of Seniority	22
■ Committeeman	8
■ Control Parts (Memo of Understanding)	178
■ Dirt Check (Memo of Understanding)	178
■ EETT Training (Memo of Understanding)	179
■ Equalization of Overtime	83
■ Expense Allowance (Letter of Understanding)	179
■ Letters of Understanding	178
■ L2 Bargaining Unit Work (Letter of Understanding) ..	178
■ Maintenance & Repair—Company Vehicles (Memo of .. Understanding)	177
■ Memorandums of Understanding	177
■ Placement of Disabled Employees	115
■ Reduction of Work Week	97
■ Road Tests (Letter of Understanding)	179
■ Work in Dynamometer Room (Test Stand Running) (Letter of Understanding)	179
Employee Record	117
Employee Sent Home	98
Equal Employment Rights	114
Equalization of Overtime	88
Excluded Employees	2
Expense Allowance—EEOU (Letter of Understanding)	179

Factory Inspection-State Health Representatives	
(Memo of Understanding)	112
Failure to Qualify on Change or Promotion	
to Other Occupations	39
Fair Employment Practices Committee (See Civil Rights	
Committee) (Letter of Understanding)	139
Falsification of Application	
(Letter of Understanding)	57
Family Medical Leave	67
Faulty or Defective Material	143
First Aid	137
Foreman's Leave of Absence	63
Foreman's Response Time	142
Full Work Day	99
Gloves (Letter of Understanding)	137
Grievances	12
■ Definitions	12
■ Meetings with Management	18
■ Procedure:	12
Step 1—Foreman	13
Step 2—Manager of Manufacturing	13
Step 3—Manager, Human Resources	14
Step 3.5	15
Step 4—Arbitration	16
Group Seniority	72
Holidays	81
Hurth Grinder (Memo of Understanding)	152
Increase in Working Force	27
■ Probationary Employees Recalled	29
Independent Contracts for Work	118
■ Memo of Understanding	146
■ Letter of Understanding	156
Industrial Electronic Technician Classification	
(Memo of Understanding)	149
Industrial Truck Repair Duties	
(Memo of Understanding)	147
Inspection	
■ Production Tool, Gage and Layout	
(Memo of Understanding)	133
Instruction Time (Standard Hour Plan)	77
Isolated & Overhead Work, Skilled Trades	169
Joint Fair Practices Committee	139
Joint Panel (Company/Union)	120
Jury Duty Pay	100
Teardown and Repair Work	

(Memo of Understanding)	134
Layoff	
■ Occupational	27
■ Temporary	30
Lead Men	167
Leaves of Absence	
■ Family Medical Leave	67
■ Foreman's Leave	63
■ Peace Corps	65
■ Personal (Temporary or Foreman's)	63
■ Probationary Employees	64
■ Public Office	65
■ School (Letter of Understanding)	66
■ Sick	64
■ Union Duties	65
Leveling Off Occupations	61
Limited Occupations—Vacancies Due to sickness or Injury (Letter of Understanding)	42
Lunch Periods & Wash-up	99
Maintenance & Repair - Company vehicles (Memo of Understanding)	177
Maintenance of Work Week	
■ Production	92
■ Nonproduction	94
■ Overtime-Mutual Agreement with Union	94
Management Prerogatives	120
Manning of Nonproduction Work Assignments	133
Meetings with Management	18
Military Service	
■ Pay for	104
■ Seniority	58
■ Vacation Bonus	102
■ Year-end Bonus	108
Millwright—Related Schooling	172
Negotiating Committee	108
■ Alternates	109
■ Attendance at Discipline Meetings	11
■ Notification to Chairman of Termination (Letter of Understanding)	60
■ Number and Selection	8
■ Overtime	87
■ Payment	11
■ Seniority	58

■ Time Off	10
Nonproduction rates—Schedule II	127
Nonproduction Work Assignment—Manning of	
■ (Memo of Understanding)	133
■ Work—Outsourcing of Non-Skilled	130
Not-Suited Employees, Transfer of Shift Preference	
(Letter of Understanding)	42
Notification for Return to Work	55
Occupational Layoff	27
Occupational Units:	
■ Nonproduction—Schedule I	125
■ Production—Schedule I	125
Office Area Furniture (Letter of Understanding) ..	171
Promotion to (Letter of Understanding)	41
Replacement of Employees Scheduled to Retire	
(Memo of Understanding)	29
Vacancies Created by Sickness or Injury, Limited	
Occupations (Letter of Understanding)	42
Orientation (New Employees)	69
Outside Contracting	118
■ Tool Work (Memo of Understanding)	146
(Memo of Understanding)	157
Outsourcing Non-skilled Work	130
Overhead and Isolated Work—Skilled Trades	
(Letter of Understanding)	169
Overtime	
■ Change-Over Employees	
■ (Memo of Understanding—Apprenticeable	
Skilled Trades)	47
—Memo of Understanding—	47
■ Unapprenticeable Skilled Trades	47
■ Daily or Weekly (Maintenance of Work Week):	
■ Production	92
■ Nonproduction	94
■ Different Shift (Letter of Understanding)	80
■ Double Shift	88
■ Emergency Overtime (Letter of Intent)	96
■ Employees Sent Home	98
■ Equalization of	83
■ Personally Contacted (Letter of	
Understanding)	91
■ Negotiating Committee (Letter of	
Understanding)	87
■ Notice to Committeemen and Stewards	93

■ Pay Rate	80
■ Probationary Employees	85
■ Skilled Trades in Crib Area	169
■ Utility Classification (Memo of Understanding)	131
Owner/Operators	72
Pay	
■ Advances	114
■ Allowances	76
■ Bereavement	101
■ Call-in	99
■ Cost-of-Living Allowance	68
■ For Going to Doctor (Letter of Understanding)	110
■ Holiday	81
■ Instruction	77
■ Jury Duty	100
■ Lead Men	71
■ Negotiating Committee	11
■ New Employee Wages	69
■ Overtime	80
■ Probationary Employees	69
■ Records, Adjustments to Pay Record	142
■ Shift Premiums	70
■ Short-Term Military Duty	77, 102
■ Special Work	75
■ Stewards	12
■ Union Representatives	10
■ Vacation Bonus	102
■ Weekly Check	79
■ Year-end Bonus	103
Peace Corps	
■ Vacation Bonus	104
■ Year-end Bonus	109
Personal Passes (Letter of Understanding)	141
Personal Time—Going Outside During	
(Letter of Understanding)	76
Physical Examination	110
Plants—Removal or Acquisition of	1
■ (Letter of Understanding)	138
Probationary Employees	22
■ Leaves of Absence	64
■ Notice to Chairman of Committee re. Termination	
(Letter of Understanding)	60
■ Pay (See New Employee Wages)	69

■ Recall to Work (Letter of Understanding)	29
■ Reduction of Working Force	23
■ Temporary Layoff Condition	30
Promotion	37
■ Acquiring Occupation	22
■ Failure to Qualify	39
■ Open Job (Letter of Understanding)	41
■ Production Tool Gage & Layout	133
■ Unapprenticeable Skilled Trades Occupation	45
■ Vacancies Due to Sickness or Injury (Letter of Understanding)	42
Rates	127
Rearrangement of Equipment (Memo of Understanding)	35
Recognition (Union)	1
Reduction of Working Force	23
■ Placement of Disabled Employees (Letter of Understanding)	27
Reduction of Work Week	97
Relocation Allowance	2
Replacement of Employees Scheduled to Retire (Memo of Understanding)	29
Reporting Pay	98
Responsibility	61
Rest and Recreation Rooms	110
Rules and Regulations	119
Safety Conditions	111
■ Clothing	111
■ Isolated Work (Skilled Trades)	169
■ Job Assignments	113
■ Road Tests & Test Stand	179
■ Safety and Health	137
■ State Health Representatives (Letter of Understanding)	112
Safety Glasses	112
Schedule I—Occupational Units	125
Schedule II—Nonproduction Rates	127
Seniority	21
■ Acquisition of	21
■ Application of	22
■ Group	73
■ Increase in Working Force	27
■ Lists	59
■ Military Service	58

■ Reduction of Working Force	23
■ Responsibility for Proper Application	61
■ Skilled and EEOU Occupations	23
■ Termination of	55
■ Failure to Respond to Recall	57
■ Letter of Understanding re: Second Termination	58
■ Notice to Chairman of Committee (Letter of Understanding)	60
■ Union Officials	58
Shift Preference	47
■ Application for	47
■ Employee File (Letter of Understanding)	54
■ Employee Not Suited (Letter of Understanding)	53
■ Examples	51
■ Exercise of	49, 51
■ Right to Remain in Group or Department	51
■ Temporary Shift Change	53
■ Time When Made	51
■ Training Periods (Memo of Understanding)	54
■ Transfers Within Occupational Unit	50
■ Work Outside Regular Department	50
Shift Premium	70
Shift Schedules	99
Showers (Millwrights) (Letter of Understanding)	171
Skilled Trades	
■ Application of Seniority	23
■ Change-over Employees—Apprenticeable Skilled Trades (Memo of Understanding)	47
■ Change-over Employees	46
■ Going Into Crib on Overtime (Letter of Understanding)	169
■ Industrial Electronic Technical Classification (Memo of Understanding)	149
■ Isolated and Overhead Work (Letter of Understanding)	169
■ Memorandums of Understanding	145
■ On the Job Training	172
■ Outsourcing of Skilled Work	169
■ Overtime	173
■ Promotion to	45

	PAGE
■ Reduced from Occupation	171
■ Repetitive and/or Dirty Work Assignments	169
■ Replacement of Absentee—11:30 Shift	145
■ Training & Instruction	174
■ Utility/Skilled Trades Responsibilities	174
Smoking Privileges	118
SPC	180
Special Work	75
Stewards	
■ Alternates	9
■ Chief Steward	9
■ Compensation	12
■ Discipline Meetings	18
■ Number and Selection of	9
■ Seniority	58
■ Temporary Layoff Condition (Memo of Understanding)	36
■ Time off Job	10
Strikes and Lockouts	121
Subcontracting	156
■ Carpenter/Painting	172
■ Outside Tool Shops & Independent Contractors.	146
■ Tool Work	117
Supervisor Employees	
■ Seniority	59
■ Work by	119
Temporary Layoffs	30
■ Stewards (Memo of Understanding)	36
■ Transfers	30
Temporary Transfers	43
Termination of Seniority	55
■ Notice to Chairman of Termination of Probationary Employees (Letter of Understanding)	60
■ Reports	60
Tool Work	117
■ Independent Contracts for Work	146
Toolroom Bar Stock	169
Tools and Equipment	114
Training Periods—Shift Preference (Memo of Understanding)	54
■ Welder Training Program (Letter of Understanding)	172
Transfers	

PAGE

■ Of Employees Not Suited to Occupation	42
■ Exercise of Shift Preference	49
■ From One Occupation to Another	70
■ Temporary	43
■ Temporary Layoff Situation	30
■ Through Employment Office	54
■ To Previous Occupation	70
Teardown and Repair Work Dept. K14	
(Memo of Understanding)	134
Tuition/Education Assistance Program	66
Union	
■ Agency Shop	5
■ Excluded Employees	2
■ Recognition	1
■ Representatives	8
■ Security	3
Union Dues	
■ Authorization to Check Off	4
■ Deduction	60
Union Representatives	
■ Alternates	9
■ Compensation	12
■ Discipline Meetings	18
■ Negotiating Committee	8
■ Officers	10
■ Seniority	58
■ Stewards	9
■ Time Off Job	10
Utility Classification (Memo of Understanding)	131
V-Cap	4
Vacation	102
■ Accumulated (Memo of Understanding)	106
■ 1973/74 Laid-off Employees	108
■ Bonus	102
■ Deceased Employees	104
■ Eligibility	102
■ Military Service	109
■ New Employees (Memo of Understanding)	107
■ Notice of Payment (Letter of Understanding)	108
■ Peace Corps	104
■ Retired Employee	104
■ Time for Taking	104
Wage Rates	67

	<u>PAGE</u>
■ Cost-of-Living Allowance . . . . .	.68
■ New Employees . . . . .	.69
■ Schedule II . . . . .	.127
Wash-up & Lunch Periods . . . . .	.99
Work Day (Full) (Letter of Understanding) . . . . .	.99
Work Week . . . . .	.79
■ Maintenance of . . . . .	.92
■ Reduction of . . . . .	.97
Working Conditions . . . . .	.110
Year-end Bonus . . . . .	.108
■ Deceased Employee . . . . .	.109
■ Eligibility and Payment . . . . .	.108
■ Military Service . . . . .	.109
■ New Employee . . . . .	.109
■ Peace Corps . . . . .	.109
■ Retired Employee . . . . .	.109

Agreement

ARTICLE ONE RECOGNITION

SECTION 1 -

(a) **BARGAINING UNIT**, The Company hereby recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, and its Local No. 287 as the exclusive representatives of all of the Company's employees at its plants located in the City of Muncie and Delaware County, Indiana, including employees in the Experimental Engineering Occupational Unit, hereinafter referred to as "EEOU" (except as this Subsection (a) is enlarged by Subsection (b) of this Section) except those employees mentioned in Section 2 of this Article, for the purpose of collective bargaining with respect to rates of pay, wages, hours and other conditions of employment.

(b) REMOVAL OR ACQUISITION OF PLANTS.

This Agreement shall apply to all plants operated by Borg-Warner Automotive, Diversified Transmission Products Corporation, Muncie Plant and upon the removal of any plant, department, or division operated by Borg-Warner Automotive, Diversified Transmission Products Corporation, Muncie Plant to another location where such operations are continued by it, or upon the acquisition of any new plant operated by Borg-Warner Automotive Diversified Transmission Products Corporation, Muncie Plant, all the employees affected shall be given

or offered employment in the new location or place according to their seniority and placed in the same status in regard to pay, wages, hours, and other working conditions as before said removal occurred, and such new plant operated by Borg-Warner Automotive Diversified Transmission Products Corporation, Muncie Plant shall be covered by all the terms and conditions hereof. The provisions of this Section shall not apply to any plant acquired by Borg-Warner Automotive Diversified Transmission Products Corporation, Muncie Plant which has a collective bargaining agreement with another union but the Union shall not be precluded from petitioning the National Labor Relations Board for the right to represent the employees in such plant. Also, the provisions of this Section shall not apply to any plant at which the National Labor Relations Board certifies another union to be the collective bargaining representative of the employees.

- (c) **RELOCATION ALLOWANCE.** If an employee is offered work and accepts it pursuant to Subsection (b) of this Section, then in that event the Company and Union agree to negotiate the amount of a relocation allowance.

(See Letter of Understanding re: Plant Closure, Page 146)

SECTION 2 - EXCLUDED EMPLOYEES This Agreement shall not apply to or include any direct representatives of the Company, superintendents, foremen, assistant foremen, supervisors in charge of any class of work, plant protection employees, office employees, confidential clerks and time study men, and such persons will not be accepted for membership by Local No. 287.

SECTION 3 - UNION SECURITY

- (a) Any employee who is a member of the Union at the time this Section becomes effective shall continue membership in the Union for the duration of this Agreement to the extent of paying an initiation fee, membership dues uniformly required as a condition of acquiring or retaining membership in the Union, as a condition of continued employment.
- (b) Any employee who is not a member of the Union at the time this Section becomes effective shall become a member of the Union within thirty (30) days after the effective date of this Section or within thirty (30) days after the date of employment, whichever is later, and, as a condition of continued employment, shall remain a member of the Union for the duration of this Agreement to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union. All employees of the bargaining unit who are working outside the bargaining unit and who return to the bargaining unit shall be required, as a condition of continued employment, to be members of the Union on and after the 31st day following the date they return to the bargaining unit.
- (c) The Union Security provisions contained in the Section of this Article shall be deemed to be of no force and effect while precluded by law; provided, however, that in the event said provisions become lawful through legislative or judicial process they shall be deemed immediately thereupon to be in effect, without the necessity of any further action by either party.

SECTION 4- AUTHORIZATION TO CHECK OFF UNION DUES AND V-CAP

Upon written authorization by an employee on a form provided by the Company, the Company will deduct from wages due said employee each month the regular initiation and/or reinstatement fee and his monthly Union dues. Such deductions will be made when so authorized during the life of this Agreement or until such written authorization is revoked by said employee in writing on a form provided by the Company. Such deductions will be made from the paycheck due the employee on the second pay day of each month, provided, however, that written authorization by the employee or revocation thereof must be in the hands of the Company at least two (2) weeks prior to the close of the payroll period in which they are to become effective.

The Company shall notify the Union in writing of all revocations within five (5) days of the receipt of same.

Any monies deducted by the Company from wages of employees in accordance with this Agreement shall be paid to the Financial Secretary of Local No. 287 not later than the end of the month in which such deductions are made.

No deductions will be made from the wages of an employee for Union dues if the amount due such employee for a payroll period in which deductions are scheduled is less than the total of all deductions from the wages of such employee required or authorized, and in such event the deductions will be made from a later payroll. No such deductions will be made from accident or disability benefits.

Authorization to check off union dues and V-Cap Agreement:

The Company agrees to deduct from the pay of each employee voluntary contributions to UAW V-Cap,

provided that each such employee executed or has executed the following "Authorization for Assignment and Check-off of Contributions to UAW V-Cap" form. Deductions shall be made, pursuant to the forms received by the Company, from the employee's first union dues period in the first month following receipt of the check-off authorization card and shall continue until the check-off authorization is revoked in writing. The Company agrees to remit said deductions promptly to UAW V- CAP, care of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW). The Company further agrees to furnish UAW V-Cap with the names and addresses of those employees for whom deductions have been made. The Company further agrees to furnish UAW V-Cap each month and year-to-date reports of each employee's deductions. The information shall be furnished along with each remittance.

SECTION 5 - AGENCY SHOP

- (a) Membership in the Union is not compulsory. Employees have the right to join, not join, maintain or drop their membership in the Union, as they see fit. Neither party shall exert any pressure on or discriminate against an employee as regards such matters.
- (b) Membership in the Union is separate, apart and distinct from the assumption by one of his equal obligations to the extent that he receives equal benefits. The Union is required under this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard as to whether or not an employee is a member of the Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members in

the Union, and this Agreement has been executed after a secret ballot has been taken showing that the Union is the choice of a majority of the employees in the bargaining unit and the Union has been certified by the National Labor Relations Board. Accordingly, it is fair that each employee in the bargaining unit pay his own way and assume his fair share of the obligation along with the grant of equal benefit contained in this Agreement.

- (c) In accordance with the policy set forth under subparagraphs (a) and (b) of this Section, all employees shall, as a condition of continued employment, pay to the Union, the employees' exclusive collective bargaining representative, an amount of money equal to that paid by other employees in the bargaining unit who are members of the Union, which shall be limited to an amount of money equal to the Union's regular and usual initiation and/or reinstatement fees and its regular and usual dues. For existing employees, such payments shall commence thirty-one (31) days following the date of this Agreement and for new employees the payments shall start thirty-one (31) days following the date of employment. For all employees of the bargaining unit who are now outside the bargaining unit and who return to the bargaining unit the payment shall start thirty-one (31) days following the date they return to the bargaining unit.
- (d) Any employee who voluntarily desires the payment referred to in subparagraph © checked off shall sign a written authorization on a form provided by the Company, and the Company will deduct from wages due said employee each month the amount required to be paid under subparagraph ©. Such deductions will be made

when so authorized during the life of this Agreement or until such written authorization is revoked by said employee in writing on a form provided by the Company. Such deductions will be made from the paycheck due the employee on the second pay day of each month, provided, however, that written authorization by the employee or revocation thereof must be in the hands of the Company at least two (2) weeks prior to the close of the payroll period in which they are to become effective.

- (e) The Company shall notify the Union in writing of all revocations within five (5) days of the receipt of same.
- (f) Any monies deducted by the Company from wages of employees in accordance with this Section shall be paid to the Financial Secretary of Local No. 287 not later than the end of the month in which such deductions are made.
- (g) No deductions will be made from the wages of an employee for Union dues if the amount due such employee for a payroll period in which deductions are scheduled is less than the total of all deductions from the wages of such employee authorized, and in such event the deductions will be made from a later payroll. No such deductions will be made from accident or disability benefits.
- (h) This Section shall become inoperative in the event the Agency Shop is declared unlawful. In such event, the Union agrees to refund to the Company any amounts paid to the Union under this Section and the Company agrees to refund such amounts to the employees.
- (i) The Union agrees to indemnify and hold the Company harmless against any and all liability, including, but not limited to, such items as

wages, damages, awards, fines, court costs and attorney fees, which may arise by reason of or result from the operation of this Section of this Agreement.

- (j) The parties agree that they will not encourage, give financial aid to or assist any employee or other person in instituting any litigation against the Union and/or the Company by reason of the operation of this Section. The Company and the Union agree to cooperate one with the other, in the event any such litigation is instituted.

ARTICLE TWO REPRESENTATION

SECTION 1 - UNION REPRESENTATIVES

For the purpose of investigating and presenting any grievances or complaints which now exist or may arise, there shall be established a steward body and a negotiating committee. All stewards, members of the negotiating committee and Union officers must have seniority immediately prior to their selection to these positions.

SECTION 2 - NEGOTIATING COMMITTEE

Employees shall be represented by a negotiating committee of not more than twelve (12) members and not less than six (6) members, who shall be selected by the Union on the basis of an apportionment of committeemen which may be changed from time to time by mutual agreement to provide proper representation. (As of the effective date of this Agreement it is mutually agreed that the negotiating committee is composed of seven (7) members, one of whom is to be elected from and by the employees in the skilled trades occupations. In addition there is to be one committeeman elected from and by the EEOU.) The pres-

ident of the Union shall serve as an additional member of the negotiating committee. The Company and the Union shall each have the right at their own expense to employ their own stenographer to take shorthand or stenotype minutes of all meetings between the negotiating committee and the Company.

SECTION 3 - STEWARDS

The Company agrees to recognize stewards. As of the effective date of this agreement, it is mutually agreed that there will be 25 regular stewards and as work is put into open areas that a steward had been reduced from, he will be the first to be increased until September 28, 1998 then the Union will have rezoned the 25 regular stewards and as manpower increases, stewards will be increased at a ratio of 1:55 employees (reviewed quarterly) to a maximum of 33 but will not fall below 25.

Stewards shall be selected by the Union and shall represent the employees within their respective zones. The employees who work on a shift other than the shift on which their regular steward works shall be represented by the nearest available steward working on the same shift when the regular steward cannot be contacted by those employees. Time so spent by a steward shall be charged against his allowed time. The zones shall be designated in such a manner as to divide the employees equally among the zones insofar as may be possible. The designation of zones will be reviewed with the Company as in the past with the parties working together to resolve any perceived problems with the CBA. An existing afternoon and midnight steward will be appointed as chief steward on the 3:30 and 11:30 shift.

SECTION 4 - ALTERNATES

Each steward and each committeeman shall be entitled to an alternate to be selected in such manner as

the Union may determine, who shall serve in the place of the steward or committeeman who is absent from the plant. A representative shall be considered absent whenever he is off duty and not being compensated by the Company for his duties as a representative. The names of alternate stewards and committeemen shall be given in writing to the Manager, Human Resources as soon as possible following their selection by the Union but in no event later than the date such stewards and committeemen take office. The Manager of Manufacturing or the office of the Manager, Human Resources shall be promptly notified whenever an alternate steward or alternate committeeman is to assume the duties of the regular steward or regular committeeman. If there is only one department in the steward zone, such notice can be given to that supervisor; when the zone is confined to the afternoon or midnight shift, the notice shall be given to the shift superintendent.

SECTION 5 - UNION OFFICERS

The names of officers of the Union and the names of the members of the negotiating committee and stewards shall be given in writing by the Recording Secretary of the Local Union No. 287 to the Manager, Human Resources at the time of their taking office.

b. The Manager, Human Resources shall also be notified promptly in writing by the Recording Secretary of Local Union No. 287 of any changes in the officers of the Union, negotiating committee and stewards.

SECTION 6 - TIME OFF FOR STEWARDS AND COMMITTEE MEMBERS

Stewards shall be afforded such reasonable time off from their jobs as may be required to investigate and adjust grievances and shall be paid for such time by the Company up to a maximum of five (5) hours per week which may be accumulated over a four week period. The chief stewards shall be allowed an additional two (2) hours to investigate and adjust grievances.

Committee members, with the exception of the EEOU committeeman who is afforded a maximum of two (2) hours per day, shall be afforded a maximum of eight (8) hours per day during the regular work week to investigate and adjust grievances and attend grievance meetings with representatives of management. In addition, the chairman of the negotiating committee and the president of Local No. 287 will be allowed to spend four (4) hours daily away from the plant during the regular forty-(40) hour week. For those Committeemen who are scheduled to work on Saturday, one hour will be allowed for attendance at regular Union meetings if scheduled on that date. In addition, the President and Chairman of the Bargaining Committee will be allowed to leave the plant for four (4) hours on the Saturday of the Union meeting.

Committee members shall also be compensated for any additional time spent attending meetings called by the Company. Any disciplinary hearing held after 3:30 p.m. will be considered as a meeting called by the Company with regard to the committeemen of the zone. The Company will pay the steward for all time spent in disciplinary meetings. Stewards and the EEOU committeeman, when leaving their work for the purpose of investigation and adjusting grievances or to attend meetings with management, shall record their absence and destination at the time of leaving on a form provided by the Company in the office of their supervisor and when they return to work, shall record on the same form the time of their return. When committee members are required to leave the plant for any reason, they must report such absence, including time and destination, to the main guard post.

SECTION 7 - METHOD OF COMPUTING PAYMENT FOR COMMITTEE MEMBERS

Committee members will receive the top Toolmaker rate during the term of this Agreement, including the

appropriate Annual Improvement Factor and Cost-of-Living increases. An alternate who serves five (5) days or more would also receive the top Toolmaker rate; less than five (5) days, he would receive his regular rate.

The Company agrees to place the EEOU committeeman on a job which will enable him to leave his work without affecting any other employee's efficiency.

SECTION 8 - COMPENSATION FOR STEWARDS

Stewards will be compensated at their straight time hourly rate.

ARTICLE THREE GRIEVANCE PROCEDURE

SECTION 1 - DEFINITION OF GRIEVANCES

Grievances shall be defined as controversies between the Company and its employees or the Union involving the interpretation, application, or violation of the provisions of this Agreement, including such items as production goals or any controversy over any matter not specifically covered by the Agreement which may be subject to collective bargaining as defined in Article One, Section 1. Controversies arising out of the Retirement Income Program, the Health Insurance Agreement and the Supplemental Unemployment Benefit Plan shall not be subject to the grievance procedure.

SECTION 2 - GRIEVANCE PROCEDURE

Any complaints that now exist or may arise shall be subject to the following procedure:

STEP 1. PRESENTATION TO THE SUPERVISOR

Any employee or group of employees having complaint or grievance shall report the condition to his steward, who, if he considers the complaint or grievance justified, must first take the matter up directly with the supervisor of the department with or without the employee involved. If the decision of the supervisor is not satisfactory, the complaint shall be reduced to writing on forms approved by the Company and the Union, furnished by the Company, and signed by the aggrieved employee and the steward and presented to the supervisor by the steward. The supervisor shall be required to give his final decision in writing to the steward immediately, if possible, or in any event within one (1) work day. The grievance may then be appealed to Step 2 of the *Grievance Procedure*. In the event the aggrieved employee is absent or the grievance can be considered a violation of any contractual provision, the grievance may be reduced to writing and signed by the steward. If the steward determines that a grievance is of such a serious nature that it requires aid from the negotiating committee, the steward may call in any committeemen to assist him in the investigation and settlement of the grievance in Step 1 of the *Grievance Procedure*.

STEP 2. PRESENTATION TO A MANAGER OF MANUFACTURING

After the provisions of Step 1 have been complied with, the steward and one or more committeemen, but not more than two, may present the grievance to the Manager of Manufacturing and the supervisor involved shall be present if requested by either party. In the event the

Manager of Manufacturing is absent, the Manager of Manufacturing shall designate someone to represent him in the handling of the grievance in this step. The Manager of Manufacturing or his designated representative will be required to note his final decision on the grievance form and make it available to the committeemen within two (2) full work days after the written grievance is presented to him. If the decision of the Manager of Manufacturing or his designated representative is not regarded as satisfactory, then the grievance may be referred to Step 3 of the Grievance Procedure. If the zone committeemen decide that a grievance or complaint is of such a serious nature that it requires immediate attention, they may call in the entire negotiating committee and the steward involved to take up the matter directly with the Manager of Manufacturing or other authorized representatives of the Company. In the event such a meeting is requested by the Union with the Manager of Manufacturing or his designated representative, then he or his designated representative shall arrange such meeting as soon as possible but in any event within two (2) hours.

STEP 3. PRESENTATION TO THE MANAGER, HUMAN RESOURCES

After the provisions of Steps 1 and 2 have been complied with, the grievance may be presented to the Company through the Manager, Human Resources or other representatives of management designated to act for him at the regular meeting between the negotiating committee and the Company representative. He shall give his final decision on any grievance presented by the negotiating committee immediately, if possible, and in any event within five (5) work days,

and written notice of the decision sent to the members of the negotiating committee, the supervisor and the steward of department or departments involved. International Representatives of the Union may be called into the controversy by either party upon notice to the other party at any time during, but not before, the negotiations provided for in Step 3.

On any grievance involving the setting of production goals **which has reached Step Three of the Grievance procedure either party** may call upon a Union representative that is trained in the methods of production measurement in order to review the grievance **after the parties have been unable to resolve the issue.** Any findings will be presented to both parties **at a regular scheduled grievance meeting or at a meeting called for such purpose.** Any time off of the employee's regular occupation must be **cleared when requested as part of the grievance procedure** and it is expressly agreed that employees will continue to operate the job in accordance with the CBA during the time that the grievance procedure is in process.

In the event a grievance would affect Union policy, or involve the interpretation or application of any contract provisions including such items as production goals, or Rest and Recreation Rooms (Article Twelve, Section 1), or Safety Conditions (Article Twelve, Section 3), the grievance may be signed and submitted to the Company directly in Step 3 of the Grievance Procedure by the negotiating committee.

STEP 3.5. MEETING

The Company agrees to hold two (2) 3½ Step meetings each year with the Director of Human Resources, Borg-Warner Automotive Diversified Transmission Products, Muncie-Plant, for review and resolution of current grievances.

STEP 4. ARBITRATION

After all the provisions of Steps 1, 2 and 3 have been complied with in full, if the Company and the Union representatives are unable to agree upon the disposition of the grievance it may be submitted by the Union to the impartial arbitrator for final determination.

On all grievances involving back pay it is expressly agreed that the time limit for submission to the arbitrator shall be thirty (30) days after notice is given of desire to present the grievance to arbitration, and the award on such a grievance will be made within fifteen (15) days from the date of the arbitration hearing. It is understood that the limits expressed above may be extended by mutual consent. The decision of the arbitrator shall be final and binding on both parties.

(A) PROCEDURE BEFORE ARBITRATION.

All matters in issue may be referred to arbitration shall be placed in written form by the party proposing arbitration, and presented to the other party for signature. In the event the other party does not agree that such writing accurately defines the issue or issues being referred to arbitration, then such party shall prepare a written statement of issues as claimed by it and deliver a copy thereof to the other party. In the event that the parties are unable to reconcile their respective positions as to the definition of the issue or issues being referred to arbitration, then the written statement of both parties shall be presented to the arbitrator.

(B) POWER OF THE ARBITRATOR.

The power and authority of the arbitrator shall be limited to applying and interpreting the express terms of this Agreement or any amendments or supplements thereto which have been approved and

signed by the parties of this Agreement. The arbitrator shall not have authority to establish or change wages, rates of pay or to add to or subtract from any of the terms of this Agreement by implication or otherwise.

(C) SELECTION AND COMPENSATION OF ARBITRATOR.

The impartial arbitrator shall be selected by mutual agreement between the Company and the Union and shall serve on an ad hoc basis. The arbitrator shall be selected by striking names from a list of nine arbitrators furnished by the American Arbitration Association. The Company and Union can each strike one list completely but must choose an arbitrator from the third list. Any striking of the total list must be done prior to striking individual names from a list. The cost of the lists shall be shared equally by the Company and Union.

The loser of an arbitration case shall pay the cost of the arbitrator's services and expenses but if it is a split decision the arbitrator shall make as part of his decision a ruling as to how the cost of his services and expenses shall be prorated. Other expenses incurred such as wages or participants and witnesses, preparation of briefs and data to be presented to the arbitrator shall be borne separately by the respective parties.

(D) TIME LIMITS.

If a grievance is not requested to be presented in the next succeeding available step of the procedure within seven (7) days after disposition in the previous step, such grievance shall be deemed settled.

SECTION 3 - MEETINGS WITH MANAGEMENT

Regular meetings between the Manager, Human Resources and the negotiating committee will be held each Thursday at 9:30 a.m. unless the time is changed by agreement of both parties.

In the event there are written grievances, a list by serial number of the grievances to be presented at any grievance meeting between the negotiating committee and the management representatives will be given to the Manager, Human Resources at least twenty-four (24) hours prior to the time of the grievance meeting.

ARTICLE FOUR DISCIPLINARY ACTION

SECTION 1

It is the right of the Company to discipline and discharge employees for just cause. An employee may be temporarily suspended for a period not to exceed one (1) regular work day. In the event such a suspension occurs before the beginning of a Saturday, Sunday or holiday work assignment of the employee involved, such work assignment shall be canceled and a disciplinary meeting held on his next regular work day. Any employee who has been suspended may request the presence of his steward or committeemen to discuss the case with him in an office designated by the Company before he is required to leave the plant. Upon his request it is the obligation of the Company to notify the employee's steward or committeemen of the request and the place where the meeting is to be held. In the absence of a steward or committeemen a reasonable effort will be made to contact any Union representative.

The Company will notify the employee's steward and two committeemen from the zone (the skilled trades committeeman and the chairman of the negotiating committee if the employee is a skilled tradesman, or

the EEOU committeeman and the chairman of the negotiating committee if the employee is from the EEOU) at least twenty-four (24) hours in advance of the time and place of any disciplinary hearing, who may represent the employee involved in reviewing the employee's case before the Disciplinary Board, except that such advance notice shall not be required where a prior suspension is involved. However, in case of a prior suspension, the appropriate Union representatives will be notified of the disciplinary hearing as soon as possible during their regular shift.

Any disciplinary hearing involving a prior suspension will be considered as a meeting called by the Company and the above designated Union representatives shall be compensated for the time spent in attending such meetings. It is recognized that all members of the Committee may attend the disciplinary hearings, but that no such hearing will be held in abeyance due to the absence of any or all of the committeemen or the steward.

SECTION 2

If an employee is suspended, disciplined or discharged, the employee or the Union may submit a grievance beginning with Step 3 of the Grievance Procedure as soon as possible but not later than ten (10) work days after the date of the disciplinary action.

SECTION 3

If it should be decided under the Grievance Procedure that the employee (including probationaries) was not discharged or suspended for just cause, the Company shall reinstate the aggrieved employee with full compensation at the regular rate of pay, overtime premium excluded, for all time lost. Employees on disciplinary layoff will be covered by insurance paid by the Company for the first thirty (30) days of the layoff only and both the Union and the employee will be

advised of this coverage either in the disciplinary meeting or within the thirty-(30) day period.

A grievance written under this section to protest the discharge or termination of a probationary employee shall be submitted directly to step #3 of the grievance procedure by the negotiating committee and shall be deemed settled with the final disposition by the Company in step #3.

SECTION 4

In imposing any discipline on a current charge, management will not take into account any prior infractions which occurred more than three (3) years previously, except for **Written Verbal Warnings (Phase A) which stay within the department and are taken into account for a maximum one (1) year.** Nor will the Company impose discipline on an employee for falsification of employment application after a period of two (2) years from the date of hire.

LETTER OF UNDERSTANDING

In the application of Article Four, Section 1, Disciplinary Action, the Company will consider an absence due to bona fide personal illness of an employee to determine just cause for discipline if their total absenteeism exceeds 5% in a rolling twelve (12) month period.

Total absenteeism excludes those contractually permissible absences (i.e., holidays, FMLA, vacation, bereavement, jury duty, military and leaves of absence granted under Article Six).

In those instances where it is deemed necessary to establish whether an illness is to be considered, the Company may request that the employee document such illness in such a way as to establish whether the employee was (1) sick, and (2) unable to work for the period of time

involved. In accordance with this Letter of Understanding, the Company will determine if an employee's absence should be documented.

Should any such statement be found unacceptable to management, the employee will be so notified if at all possible within 5 work days.

The "bona fide personal illness" language is not intended to be used to discharge an employee who does not have chronic absenteeism. The company has not used, nor does it intend to use, this language to discharge an employee who does in fact have a "bona fide personal illness". If an employee reaches the termination phase of discipline for absenteeism and claims that the triggering incident is due to a bona fide personal illness, the company will have the documentation reviewed by the company doctor. Disputes between the employee's personal physician and the company doctor will be decided by a 3rd party physician selected by the physicians in question.

Written records of verbal warnings will not leave the initiating department.

ARTICLE FIVE SENIORITY

SECTION 1 - ACQUISITION OF SENIORITY

Seniority rights of employees will be recognized by the Company as herein provided. All new employees hired shall be allowed their accumulated seniority after having served six (6) months in one (1) or more occupations, two (2) months of which must be consecutive. Absences of less than a full work week due to layoff, sickness or injury will not break consecutive service. An employee must be at work on the day

he gains seniority except in the case of an employee who is absent due to plant injury.

Employees shall be regarded as probationary employees until seniority is acquired and shall be designated by the name "probationary employee." On acquiring seniority under the above provisions an employee's seniority date will be established at his earliest employment date within an eighteen-(18) month period, provided that if the employee's service has been terminated within the eighteen-(18) month period by a discharge or a quit, his seniority date will be established at the earliest rehire date after the discharge or quit within that period.

Employees who have acquired seniority shall be designated by the name "seniority employee."

An employee's occupation is to be established as the occupation in which the employee is working when seniority is obtained.

+The present practice of notifying an employee through his supervisor in advance of the time he is to acquire seniority will be continued.

SECTION 2 - APPLICATION OF SENIORITY

Seniority shall be applied as hereafter provided in this Agreement in the reduction of the working force, temporary layoffs, transfers, promotion, increase in the working force, changes in occupation for the purpose of maintaining a balance, shift preference, and in the placement or offer of placement of employees in the removal of plants.

(a) PRODUCTION

- (1) By occupation within a department
- (2) By occupation plant wide.
- (3) By occupations within his occupational unit.
- (4) Plant wide without regard to occupations, occupational unit or occupational units.

(b) NONPRODUCTION

- (1) By occupation within a department.
- (2) By occupation within the plant.
- (3) By occupations within his occupational unit.
- (4) Plant wide without regard to occupations, occupational unit or occupational units, except the skilled occupations referred to below whose seniority shall be applied within each occupation only.

(c) SKILLED AND EEOU OCCUPATIONS

Seniority in the following skilled occupations shall be by occupation and shall not be interchangeable with any other occupation; boiler room fireman, carpenter, industrial electrician, heat treat fixture maintenance, machine repairman, millwright, industrial pipefitter, tool cutter grinder, industrial truck repair, toolmaker, experimental test technician, and toolmaker (experimental).

Any work performed in the above-mentioned occupations shall be performed by the respective occupations except as might occasionally be minor, or right to access work such employee was assigned to perform.

Seniority in the following occupations of the EEOU shall not be interchangeable with any other occupation: stock expediter (experimental).

SECTION 3 - REDUCTION OF THE WORKING FORCE

In applying seniority in a reduction of the working force as outlined above, the procedure is to be as follows:

- (1) Sufficient probationary employees will be reduced from the occupations affected to complete the reduction. No seniority employees will be reduced from any production or nonproduction occupation until all probationary employees working in the occupation have been reduced.
- (2) When all probationary employees have been laid off and further reductions are required, then sufficient seniority employees will be laid off on a plant wide basis without regard to occupation, beginning with the employee having the least seniority, except that employees in the skilled or EEOU occupations referred to in Section 2 (c) above shall be laid off only when there are reductions in those occupations.

PRODUCTION (a)

When the reduction has thus been accomplished, then production employees in each department whose jobs have been eliminated by the reduction will be assigned in the following manner:

- (1) Such employees having the greatest seniority in each occupation within the department will be placed on vacant jobs in their occupations within the department or will displace employees in their occupation within the department having the least seniority.
- (2) Employees who cannot be placed or retained on jobs in their occupation within the department will be placed on vacant jobs within their occupation on a plant wide basis, beginning with such employee having the greatest seniority who was not placed under Subsection (1) above.
- (3) Employees who cannot be placed on jobs within their occupation shall be transferred

on a plant wide basis to other jobs having a similar rate of pay within their occupational unit, and placed on jobs left vacant by the layoff, or will displace probationary employees or employees having the least seniority in their occupational unit, beginning with such employee having the greatest seniority not placed under Subsections (1) or (2) above.

NONPRODUCTION (b)

Non-production employees in each department whose jobs have been eliminated by the reduction will be assigned in the following manner:

- (1) Such employees having the greatest seniority in each occupation within a department will be placed on vacant jobs in their occupation within the department or will displace employees in their occupation within the department having the least seniority.
- (2) Employees who cannot be placed or retained in jobs in their occupation within the department will be placed on vacant jobs within their occupation on a plant wide basis, beginning with such employee having the greatest seniority who was not placed under Subsection (1) above.
- (3) Employees who cannot be placed on jobs within their occupation within the plant shall be transferred on a plant wide basis to other jobs within their occupational unit, and placed on jobs left vacant by the layoff, or will displace probationary employees or employees having the least seniority in their occupation within their occupational unit, beginning with such employees having the greatest seniority not placed under

Subsections (1) or (2) in (b) above except that employees having the skilled or EEOU occupations referred to in Section 2(c) above shall be laid off only when there are reductions in those occupations.

PLANT WIDE (c)

Employees who cannot be placed under Subsections (1), (2) or (3), (a or b) above shall be transferred on a plant wide basis without regard to occupation, occupational unit, or occupational units to production or nonproduction and shall be placed on jobs left vacant by the layoff, beginning with such employee having the greatest seniority, except that employees having the skilled or EEOU occupations referred to in Section 2 (c) above shall be laid off only when there are reductions in those occupations.

MISCELLANEOUS (d)

- (1) To the extent that it is possible, placements under Subsections (a)(3), (b)(3) and (c) shall be determined on the basis of job similarity and the employee's previous experience and capability. Such transfers are to be made within three (3) work days after the employee has been reduced.

Any transfers made under Subsections (a)(3), (b)(3) or (c) shall be optional to the employee, but such option shall be exercised immediately if it is to be made effective at the time the transfer is scheduled. After such transfers are completed the occupational layoff option can only be made effective on the weekend, provided the request for

such option is received on or before the Wednesday preceding.

- (2) If the employee chooses to remain laid off rather than be transferred, he shall be returned to his occupation with accumulated seniority as soon as his seniority enables him to return, provided that any such employee after having remained laid off for a period of ten (10) work days may request to be recalled, and on such request he will be placed in accordance with his seniority status within three (3) work days after such request is made. In the event the seniority date of an employee is passed with regard to regular layoff while he is on occupational layoff, he will be placed immediately on regular layoff.

LETTER OF UNDERSTANDING

ARTICLE FIVE, SECTION 3(d)(1)—In order to avoid the loss of work time, employees may be placed on temporary jobs for a maximum of three (3) days prior to an appropriate disability assignment. Both the supervisor and the appropriate union officials are to be notified of this temporary placement. A notice will be sent by the employment office.

- (3) During a reduction, an employee may exercise a shift preference within his occupation within the department, for the purpose of maintaining his preferred shift. Employees will lose home group upon move.

SECTION 4 - INCREASE IN WORKING FORCE

In increasing the working force after a layoff employees will be recalled to work on a plant wide basis and in the reverse order in which they were laid off. If on

recall the employee cannot be returned to his occupation, he may request an occupational layoff, but notice of such request must be given to the Employment Department within three (3) days. If the employee returns to work without exercising his option for an occupational layoff as described above, he shall be precluded from exercising such option until the Wednesday of the second week after returning to work or until he is affected by a decrease in the working force. Should the employee choose to remain laid off rather than be recalled he shall be returned to his occupation with accumulated seniority as soon as his seniority entitles him to return, provided that any such employee after having remained laid off for an additional period of ten (10) work days may request to be recalled, and on such request he will be placed in accordance with his seniority status within three (3) work days after such request is made. The only exception to the above provision shall be in those cases where the seniority list has been exhausted and there are employees remaining on "occupational layoff" in which case all such employees will be notified to return to work as needed starting with the employee having the least seniority, and upon such notice the "occupational layoff" shall be canceled.

Employees laid off or transferred due to a reduction in the working force shall return to their occupational units and to their occupation within their occupational units and shall be placed in their regular department within three (3) work days after their seniority entitles them to return. No new employees will be hired as long as seniority employees are laid off.

If a seniority employee who was placed on another job within his occupation in a reduction in force prefers to remain on that job rather than be returned to the job from which he was moved in the reduction

he may prior to notification of return by mutual agreement in writing signed by the employee, the Union steward and the Manager of Manufacturing, remain in that job so far as his seniority permits.

In increasing the working force after a layoff skilled trades and EEOU employees will be recalled to work within their respective occupations in the reverse order in which they were laid off.

MEMORANDUM OF UNDERSTANDING REPLACEMENT OF EMPLOYEES SCHED- ULED TO RETIRE.

It is agreed between the parties that if it is necessary to replace a bargaining employee who is granted a leave of absence and/or elects to take accrued vacation time immediately prior to scheduled retirement under the provisions of Retirement

Income Plan dated July 16, 1974, and effective September 1, 1974, such replacement will be made in accordance with the seniority provisions of the Collective Bargaining Agreement. Therefore, it is understood that when replacements are required under the above-described circumstances, "floaters" or "employees on the move" will not be utilized for such purpose as has been the agreed-to practice in the past.

LETTER OF UNDERSTANDING

Laid off probationary employees will be evaluated on the basis of their work performance. Those having poor performance records will not be recalled. Those having good records will be recalled as needs indicate.

Laid off probationary employees who will not be recalled will be notified by the Company within thirty (30) days after layoff that they will not be recalled.

Additional notice will be given the Chairman of the Negotiating Committee.

When a probationary employee is scheduled for lay-off, *having been affected by a reduction of the work force*, and this reduction is the only reason for the lay-off, the youngest probationary employee working in the plant will be laid off first, using the most recent hire date as the basis for the decision.

In an increase in the work force, laid-off probationary employees would be returned to work in reverse order.

It is not the intent of this language to change the current method of handling probationary employees in effecting change of assignments, layoffs or termination which result from performance evaluations.

Temporary layoffs of less than 5 days will not break consecutive service. In those cases when temporary layoffs are expected to exceed 5 days, the probationary employee should be sent to the employment office for reassignment.

Seniority employees in all occupations will be allowed to bid for openings on other groups within their occupations by seniority. Openings are defined as 1) retirement of employees; 2) increase; 3) new equipment that increases manpower; 4) employee promotes out, and 5) termination. Prior notification is needed. Wherever possible, such openings will be posted in the department.

SECTION 5 - TEMPORARY LAYOFFS

(a) **PRODUCTION EMPLOYEES.** When due to a shortage of material or breakdown of equipment or imbalance of production between directly related assembly groups it becomes necessary to operate a group temporarily at a reduced schedule or to shut down the entire group, necessitating a temporary layoff, the supervisor will first lay off the probationary employees in the group.

Second, if this does not complete the reduction in the group the supervisor shall determine how many employees in the occupation affected must be removed from the group temporarily. He shall retain on the group the employees having the greatest seniority in the occupation affected. He may then lay off or transfer temporarily to open jobs or to groups that are not manned to full production capacity on their current shift employees in the occupation affected, such transfers first being offered to the employees having the most seniority in the occupation affected not retained on the group. If there is a recurrence of this situation affecting the same group the supervisor will again lay off probationary employees.

If this does not reduce the group sufficiently the supervisor shall first determine how many employees in the occupation affected must be removed from the group temporarily. Second, he shall determine how many employees in the occupation affected may be transferred to open jobs or to groups that are not manned to full production capacity on their current shift. Third, if there are not enough open jobs, the first employees to be laid off shall be those who have the least time lost under this Section (the junior employee first in the event such lost time is equal). Fourth, the employee transferred shall be the junior employees remaining at work. However, if, under the provisions of Article Five, Section 5(d), they decline the transfer, it may be offered to those scheduled to be laid off.

(b) NONPRODUCTION EMPLOYEES.

Nonproduction employees affected by production temporary layoffs as described in the foregoing two paragraphs will be temporarily laid off or transferred as follows:

The supervisor will first lay off the probationary employees in the department. Second, if this does not complete the reduction of the employees the supervisor shall determine how many employees in the occupation affected in the department must be removed temporarily. He may then lay off or transfer temporarily to open jobs or to jobs that are not manned to full capacity on their current shift employees affected in that occupation in the department, such transfer first being offered to the employees having the most seniority in the occupation affected not retained in the department. If there is a recurrence of this situation affecting nonproduction employees the supervisor will again lay off probationary employees in the department. If this does not reduce the department sufficiently the supervisor shall first determine how many employees in the occupation affected must be removed from the department temporarily. Second, he shall determine how many employees in the occupation affected may be transferred to open jobs or to jobs that are not manned to full capacity on their current shift. Third, if there are not enough open jobs the first employees to be laid off shall be those who have the least lost time under this Section in the occupation in the department (the junior employee in the event such lost time is equal). Fourth, the employees transferred shall be the junior employees remaining at work. However, if they decline the transfer it may be offered to those scheduled to be laid off.

- (c) **INTENT.** The intent of this section is to keep in balance among seniority employees the time lost by temporary layoff. Therefore, in a temporary layoff situation, if there are not enough open jobs, the first employees to be laid off are those who have the least lost time under this Section (the junior employee first in the event such lost time is equal). In turn, when employees are

placed on open jobs, the employees having the most seniority in the occupations affected will remain on the group or in the case of nonproduction in their occupation regardless of the lost time hours of such employees.

- (d) **MISCELLANEOUS.** No seniority employee shall be laid off more than forty (40) hours during a calendar year under this Section. Hours for which an employee receives a Short Week Benefit in accordance with the SUB Plan shall not be counted as laid-off hours under this Section. Employees transferred under this section shall not be regarded as having been "laid off" nor shall employees who decline to be transferred under this Section be regarded as "laid-off".

An employee, affected by a temporary layoff, who has exceeded the 40 hour limitation under Article 5, Section 5D will be placed on any available job. The criteria for "open jobs" as covered in 5 (D) does not apply in such cases. In such cases, an employee may refuse the assignment, but would not be eligible for SUB.

Further, in the application of (a) and (b) the following procedures apply:

1. If the assignment is in the occupation (in or out of department)
 - a. Assignment is mandatory
 - b. Employee is paid what he earns on that job
 - c. The hours are not charged to the group (if a production group)
2. If the assignment is in occupational unit, but out of occupation (in or out of department)

- a. Employee may refuse assignment
 - b. Employee does not receive SUB
 - c. If employee accepts, he is paid what he earns on job
 - d. The hours are not charged to the group (if a production group).
3. If the assignment is out of occupational unit (in or out of department)
 - a. Employee may refuse
 - b. Employee will receive SUB
 - c. If employee accepts assignment, he will be paid what he earns on job
 - d. The hours will not be charged to group (if a production group).

This provision shall not be interpreted to cover layoffs made under reduction in production schedules or if employee is being displaced by a senior employee in a group where the above-stated condition does not exist.

An open job under these provisions is to be based on the following criteria:

1. A job not filled due to absenteeism
2. A job that would have been filled at the beginning of the shift had personnel been available
3. A line not manned to capacity as per schedule at start of the work week
4. A job that is required due to an emergency of a critical nature
5. Company training is also to be considered an open job for these purposes.

The following additional provision apply:

1. No specific reduction in nonproduction departments is to take place due to application of Article 5, Section 5.

2. **MEMORANDUM OF UNDERSTANDING
REARRANGEMENT OF EQUIPMENT-
ARTICLE 5, SECTION 6 - TEMPORARY
LAYOFFS.**

- (e) **PRODUCTION EMPLOYEES.** When due to a shortage of material or breakdown of equipment, or imbalance of production between directly related assembly groups, or the rearrangement of equipment for the purpose of replacing certain machines requiring repair, overhaul, or to be phased out as obsolete equipment with new or similar and/or like equipment it becomes necessary to operate a group temporarily at a reduced schedule or to shut down the entire group, necessitating a temporary layoff, the supervisor will.....”(See Section 5 (a) for complete language)

It is understood that the agreed-to amendment to the provisions of Article 5, Section 5 (Temporary Layoffs), of the Labor agreement as stated above is subject to the following terms and conditions:

1. A temporary layoff due to the rearrangement of the equipment as defined by the amendment of the provisions of Article 5, Section 5, of the Labor Agreement shall be limited to one (1) work day (i.e. three (3) work shifts).
2. If due to the work involved in rearranging the equipment or as the result of unexpected problems encountered with the completion of such work, the one (1) day of three (3) work shift limitation referred to in Item #1 above may be extended by mutual agreement between the parties (i.e. department supervisor for the Company and the two (2) committeemen of the zone involved for the

Union) to include up to a maximum of three (3) work days or a total of nine (9) work shifts to provide for the completion of the work required.

It is further understood that the purpose of this Agreement is to utilize the temporary layoff provisions of Article 5, Section 5, of the Labor Agreement for those situations involving the rearrangement of equipment required for the implementation of a maintenance and/or equipment replacement program instead of the reduction of the working force provisions of Article 5, Section 3, of the Labor Agreement in an effort to avoid the excessive movement of employees under the seniority provisions of the Labor Agreement for situations of short duration.

3. If members are required to stay on line due to rearrangement of equipment, pay is at hourly rate.
4. Normal temporary layoff may extend three (3) days. This time may be extended beyond that by agreement with zone committeemen.
5. If initial placement in temporary layoff on a given day is within unit, employee must return if required. If outside unit, may refuse and stay where assigned.

F. MEMORANDUM OF UNDERSTANDING TEMPORARY LAYOFF CONDITIONS - STEWARDS.

It is agreed between the Company and the Union that when, under the provisions of Article 5, Section 5, Temporary Layoffs, of the Collective Bargaining Agreement, a steward, by application of seniority, would displace another seniority

employee, (it will be steward's option to work or go home) the procedures outlined below will be followed:

1. If the seniority employee affected by the temporary layoff is placed on another job or other work, the steward will displace the seniority employee having the least seniority in the steward's occupation, occupational unit, etc., in accordance with the principles of seniority.
2. If the seniority employee affected by the temporary layoff is not placed on another job or other work, the steward will displace the seniority employee having the least lost time in the steward's occupation, occupational unit, etc., in accordance with the principles of seniority.

SECTION 6 CHANGE OR PROMOTION TO OTHER OCCUPATIONS

- (a) **PROCEDURE.** Any seniority employee who desires to be changed from his current occupation to another occupation shall prepare an application in duplicate for transfer on a form furnished by the Company, stating the occupation to which he desires to be transferred, giving the reason for the request and any other pertinent information. He shall give them to his supervisor for signature and then retain a copy. The supervisor shall file the original application with the Employment Office. The employee's capabilities will be appraised by the Employment Department, and the employee's name will be placed on a promotion list under the requested occupation to which he is found promotable, showing the date on which the application is submitted. Definition of not capable: (1) More than:

5% total absenteeism in (1) year work time or, (2) One (1) suspension in last six (6) months work time: (3) Points #1 and #2 are in addition to past practice. The list will be maintained in the Employment Office available for inspection by Union representatives. Total absenteeism excludes those contractually permissible absences (i.e., holidays, FMLA, vacation, bereavement, jury duty, military and leaves of absence granted under Article Six).

If the applicant's name is not placed on the promotion list for the occupation which he has requested promotion, the Employment Department will contact the employee to review the employee's capabilities and reasons why the applicant's name should not be placed on the list.

Promotions to an occupation will be made when new job openings or permanent vacancies occur in that occupation which are created by death, permanent disability, promotion to another occupation, retirement, termination of seniority, or any other reason. Employees whose names appear on the promotion list under the occupation in which the vacancies exist will be promoted.

All openings will be posted and the promotees will be decided per seniority from the names on file plus new names listed from the posting. If the names of two (2) or more employees are listed for promotion to an occupation, then the employee having the greatest seniority will be selected for the placement and the names of employees not placed at that time will remain on the promotion list.

It is understood that no employee will be eligible to promote until he has seniority, unless no sen-

iority employees have applications on file, then probationers shall be considered based on working time all other factors being equal.

Promotees will gain the occupation after serving ninety (90) days.

It is further understood that all promotion applications on file will be destroyed each year effective January 1. No later than the prior December 1, the company will notify employees by bulletin board notice that this will take place and advise all who are still interested in promotion to resubmit an application for promotion.

- (b) **FAILURE TO QUALIFY.** Employees promoted to another occupation who fail to qualify in the new occupation at any time during the period required to gain that occupation due to inefficient or unsatisfactory performance based on documented evidence with regard to productive results (quantity and quality) of their work effort on the basis of evaluation after ten (10), thirty (30), and sixty (60) work days or at any time within that period and just prior to the completion of the time required to gain the occupation or by their own admission or by written agreement between the supervisor, the Employment office, and the steward or zone committeemen, will be returned without loss of seniority to the occupation from which the transfer was made. Employees would return to his occupation to an open job or replace the youngest person working in the occupation plants-wide, seniority permitting.

Employees whose names are on the promotion list and who are offered a promotion to the occupation for which they have applied and who

refuse such offer will have their names removed from the promotion list, and such employees may not apply for promotion within three (3) months after the date of refusal to accept the assignment.

Employees whose names are on the promotion list and who are offered a promotion to the occupation for which they have applied and who accept such offer and fail to make an honest effort to qualify will have their names removed from the promotion list, and such employees may not apply for any promotion within six (6) months after the date of returning to their original occupation by reason of failure to make an honest effort to qualify.

Employees whose names are not placed on the promotion list at their request for promotion may apply for promotion to another occupation at once, or they may reapply for promotion to the same occupation three (3) months or more after being notified by the Employment Department that their names have not been placed on the promotion list.

The Company will provide a form whereby an employee is required to note acceptance, rejection, or giving up of a promotion. If the employee having the greatest seniority is absent from the plant on the day the promotion is to be assigned, the Union will be notified and the Company will hold the promotion open for 48 hours before offering the job to the next most senior employee. **Should an employee be interested in a promotion which they feel is likely to happen during a scheduled absence from the facility they may make their intentions clear to the Employment Office prior to their absence.** The Company may temporarily fill the job.

The appropriate Union representatives will be

notified prior to any intended action as set forth under this Section.

- c) **DISPUTES.** Any disputes arising hereunder shall be subject to the Grievance Procedure, and shall be submitted to the Company in Step 3 of the Grievance Procedure. It has been agreed between the Company and the Union that an employee who is reduced from an occupation to which he has promoted, as the result of a reduction in force, may promote to still another occupation. Should the first promotion open up while the employee is on the second promotion, the employee must at that time decide which promotion to continue. There are no penalties involved in this sequence. However, should an employee voluntarily give up a promotion or fail to qualify, he will be subject to the penalties designated in Article 5, Section 6. It is agreed between the parties, that in the application of Article 5, Section 6 of the Company-Union Contract (change or promotion to other occupations), paragraph (a), promotion will be accepted to an occupation when new job openings or permanent vacancies occur in that occupation, even though employees with that occupation may be on lay-off.

LETTER OF UNDERSTANDING

In the application of the promotion provisions of Article Five, Section 6, of the Labor Agreement, it is agreed that in those situations in which an open job, for which a requisition has been submitted, has been filled on a daily basis for five (5) days, the employee eligible for promotion to such job will either be promoted at that point in time (i.e. beginning with the sixth work day) or promoted as soon as he becomes available and in

such cases will be credited for time toward the promotion after the fifth (5th) day.

LETTER OF UNDERSTANDING

In the application of Article Five, Section 6, promotions to vacancies made available due to sickness or injury in occupations with forty (40) or less employees will not be permitted without mutual agreement between the parties.

SECTION 7 - TRANSFER OF EMPLOYEES NOT SUITED TO OCCUPATION

When it is determined that an employee, due to inefficient or unsatisfactory performance based on documented evidence with regard to productive results (quantity and quality) of their work effort on the basis of evaluations after ten (10), thirty (30) and sixty (60) work days, or at any time, based on documented evidence with regard to production results (quantity and quality), etc., or when it is agreed between the supervisor, the Employment Department and Union committeemen of the zone involved that the employee is not suited for a job assignment on which he is working, he shall be transferred by the Company to another job assignment within the occupation in question if possible for which he is better qualified, provided the employee has seniority. If such employee is working on a job assignment in an occupation other than his occupational unit and it is found that he is not suited for that job assignment, then when his seniority permits he will be returned to either his occupational unit or occupation.

It is understood that once an employee is considered as not suited for a given job assignment, occupation, occupational unit or job classification, the employee's status with regard to that job assignment, occupation, occupational unit or job classification may not be changed unless it can be shown that the cause of the

transfer no longer exists (i.e., technology change, process change, methods change, etc.). The employee will be given the opportunity to re-qualify upon request.

The appropriate Union representatives will be notified prior to any intended action as set forth under this Section. In no instance will an employee be re-assigned due to a lack of work effort.

(See Article 5, Section 10; ten training periods)

SECTION 8 – TEMPORARY TRANSFERS

In the event it becomes necessary to transfer an employee from group to group and department to department in his occupation or from one occupation to another for the convenience of management, the employee with the least seniority on a given production group or in a given department will be transferred if capable of performing the work.

If the employee with the least seniority on a given production group or in a given department is not capable of performing the work, then the employee having the least seniority on the current shift on a given production group or in a given department capable of performing the work will be transferred. The above procedure will also be utilized in transferring a non-production employee or a skilled trades employee within his occupation from one non-production department to another for the convenience of management.

Any transfers made under this section are to be approved by a manager of manufacturing, and all employees so transferred shall be returned to their regular job within their occupation.

The stewards of the zones in which the temporary transfer is made will be notified of such move and will be given a copy of the temporary transfer form by the end of their current shift.

In the event the transfer exceeds fifteen (15) days, the

employee will be returned to his regular job upon his request.

A temporary transfer on an overtime day will not exceed a total of one (1) hour of actual work. It is understood, however, that the one (1) hour of actual work, limitation applicable with regard to temporary transfers as described above on an overtime day, does not apply to those situations where an employee, who works in more than one (1) occupation as a matter of routine during the regular work week, is scheduled and works overtime on the same basis.

It is understood that situations involving temporary transfers during an overtime period shall not exceed one (1) hour of actual work time excluding any and all incidental time, such as travel time to and from the area of assignment. The basic criteria for determining the amount of work to be performed should be based on a determination of how much actual work would be performed if another employee was called in to perform the work under Article Nine, Section 9. If the duration of the work assignment for an employee called in would amount to one (1) hour or less of actual work then utilization of the temporary transfer procedure would be proper. On any overtime work assignment involving a temporary transfer, any work performed by a bargaining unit employee at the request of another bargaining unit employee will not create a liability.

Any employee transferred under this section shall be paid the rate of the occupation he leaves or the rate of the production group or non-production occupation to which he is transferred, whichever is higher. It is agreed, however, that the temporary transfer will not exceed three (3) days without joint approval between the Company and the Negotiating Committee in those instances where a non-production employee is temporarily transferred to production or a production

employee is temporarily transferred to non-production.

It is agreed between the parties that the temporary transfer will not be used as a method of filling permanent openings over a period of time, but is limited to those instances that are temporary in nature, i.e., absences, emergencies, or special circumstances.

Failure to make every reasonable attempt to notify the stewards will result in automatic liability for all hours worked by the person transferred, paid to lowest person on the overtime list in the occupation and department to which the transfer was made.

MEMORANDUM OF UNDERSTANDING

There have been several incidents where the Company has known in advance that certain individuals would be coming to the facility for a plant tour. Under those situations, the Company has used, many times, the temporary transfer language to clean up the facility and has failed to work overtime in the labor classification. The intent of this memo is to ensure you that when the Company knows of these tours in advance, the general labor should be scheduled to work the appropriate overtime first, then if the Company needs additional cleaning, the temporary language can be used.

SECTION 9 - PROMOTION TO UNAPPRENTICEABLE SKILLED TRADES

- (a) Promotions to any of the unapprenticeable skilled trades will be made on qualifications based on prior work experience and training in that trade. When qualifications are relatively equal, promotions will be based on seniority. When any employee is promoted from any occupation to the unapprenticeable skilled occupations, including experimental test technicians (and toolmaker (experimental)), he shall acquire

and exercise seniority after working in the unapprenticeable skilled occupation for a period of six (6) months, and his seniority shall start from the date he was originally transferred into the unapprenticeable skilled occupation. Whenever qualified applicants are not available and timing is not an issue, every effort will be made to train the most senior applicant.

- (b) Employees promoted to any unapprenticeable skilled classification shall be paid the minimum rate for the classification at the time of transfer to the new occupation.
- (c) In the event it becomes necessary to reduce the seniority employees in skilled occupations, the employees affected will be given the opportunity to work in the production or non-production occupations provided no seniority employees are laid off in the production or non-production occupations. These employees shall be permitted to gain and accumulate seniority in the production or non-production occupations during the time period such employees remain on layoff from their respective skilled trades. Upon recall to their respective skilled trades occupations the employee must make a decision with regard to which seniority he wished to retain.
- (d) Promotions will not be honored into the apprenticeable skilled occupations except through the apprenticeship program.
- (e) Whenever the skilled occupations are required to increase their forces because of changeover, plant rearrangement, or necessary work of a temporary nature and of short duration in connection with new or improved products, the Company may transfer employees from other occupations into the skilled occupations. These employees are to be called "changeover employees" during the period in which they work in the skilled occupation, but shall retain and accumulate seniority in their original occupation.
- (f) The Company agrees that when changeover

employees are needed, any skilled trades employee laid off will be given the first opportunity for the opening **in that trade**. Changeover employees from the regular bargaining unit will be selected on the basis of qualifications.

A changeover employee may only be bumped by other changeovers working in the same occupation. If a skilled trades employee is laid off after a bargaining unit employee is working as a changeover, the *skilled trades employee will be given the opportunity to replace the bargaining unit employee.*

**MEMORANDUM OF UNDERSTANDING
CHANGEOVER EMPLOYEES—
UNAPPRENTICEABLE /APPRENTICE-
ABLE SKILLED TRADES OCCUPATIONS.**

No changeover employees will be assigned to the unapprenticeable/apprenticeable skilled trades occupations until the employees having the occupations are offered six (6) days' work during normal work week.

The Company agrees that the Union will have input as regards to qualifications based on prior work experience and training. This input will be received prior to an employee receiving seniority.

SECTION 10 - SHIFT PREFERENCE

1. APPLICATION FOR SHIFT PREFERENCE

- (a) Any seniority employee who desires to exercise his shift preference will fill in three (3) copies of the form available in the office of his supervisor, giving his name, clock card number, seniority date, and the shift he prefers. One copy will be given to the employee, the second copy will be sent to the employment office for permanent record and the third copy kept in the department for

arrangement and record of the shift preference. When the arrangements are completed, the Employment Department will notify the employee's supervisor who will then advise him when the shift change will take place. If such request is received on or before Wednesday, the transfer to make the shift change effective will be made on the weekend following.

- (b) A written request for shift preference may be withdrawn by the employee at any time up to the close of his regular work shift on Wednesday.
- (c) If a reduction or an increase in the working force as it affects certain departments interferes with making shift preferences effective on a particular weekend, those shift preference requests will be automatically canceled, but the requests not affected by the change in the working force will be made effective. Employees whose shift preference request is canceled as described above, may make a new request for change in shift preference if they so desire.
- (d) Seniority employees shall not be entitled to exercise shift preference more than once every ninety (90) days under the terms of this provision.
- (e) If due to a reduction in working force, or for any reason, an employee is deprived of his shift preference, the employee may again exercise shift preference regardless of the number of days that have elapsed since the employee expressed his previous preference of which he has been deprived.
- (f) If an employee, who would be affected by the exercise of shift preference by an older employee in the department, is being moved

out of the department in a reduction or an increase, then the next youngest employee in that occupation in the department will be displaced by the employee initiating the shift preference.

2. EXERCISE OF SHIFT PREFERENCE.

- (a) Any production employee having seniority shall be entitled to preference of shifts over any employee with lesser seniority or probationary employees within his occupation and within his occupational unit. His preference shall be exercised in the following manner.

First, he shall have preference of shifts within this production group, or failing to obtain his preference there;

Second, he shall have preference of shifts within his production department, or failing to obtain his preference there;

Third, he shall have preference over employees of lesser seniority and may displace the employee having the least seniority working within his occupation plant wide and within his occupational unit (See subsection 1(d) of this Article and Section).

- (b) Any non-production employee having seniority shall be entitled to preference of shifts over any employee with lesser seniority or probationary employees within his occupation. His preference shall be exercised in the following manner:

First, he shall have preference of shift within his department, or failing to obtain his preference there;

Second, he shall then have preference of shifts within the plant.

- (c) Preference of shifts can be exercised by the employee working out of his occupational unit only over other employees working out of their occupational unit with lesser seniority and over probationary employees working within the same occupation. For purposes of shift preference employees on an upgrade shall be considered as employees working out of their occupational unit. (See subsection 1 (d) of this Article and Section.)
- (d) Probationary skilled trades employees are not subject to being bumped during their first thirty (30) work days.

A changeover employee may only be bumped by other changeovers working in the same occupation.

3. TRANSFERS WITHIN THE OCCUPATIONAL UNIT.

In a reduction in force employees transferred out of their occupation into their occupational unit shall have shift preference in the same manner as employees working within their occupation.

4. WORK OUTSIDE REGULAR DEPARTMENT.

An employee exercising his shift preference working out of his regular department due to a reduction in force shall not void his right to return to his regular department in an increase in force, unless he has signed a form agreed to by the Company and the Union in which he voids his regular department.

5. RIGHT TO REMAIN IN DEPARTMENT OR GROUP.

After a shift preference is initiated by an employee the transfers or moves to make this preference effective shall be made in such a manner that each employee affected will have had the right to remain in his department or his group so far as his seniority permits. If, in order to retain his regular department or group, it is necessary for the affected employee to exercise a shift preference, he shall be charged with such shift preference as set out in this Section. A move to replace any employee who exercises a shift preference shall not be considered as an exercise or shift preference by such transferred employee nor shall the affected employee be charged with a preference.

6. TIME WHEN SHIFT PREFERENCE MOVES MADE.

All moves described above shall be made on the weekend immediately following the Wednesday when the initial shift preference is instigated. The current practice of deferring moves shall be followed when one or more holidays occur at the end of the week in which the shift preference is instigated.

7. SHIFT PREFERENCE CAN BE EXERCISED ONLY WITHIN OCCUPATION.

Shift preference in every case shall be exercised within the employee's occupation or within the occupation in which the employee is working while out of his occupation or occupational unit.

8. EXAMPLES:

- (a) When the shift preference can be made effective within the group by a simple

exchange, the employee displaced replaces the employee initiating the shift preference, and only the employee initiating the preference is charged with having changed his shift preference. If in this instance, the employee displaced desires to change his shift, remaining on the group or in the department, he will be charged with having changed his shift preference. The employee who is displaced by him will be placed on the job left vacant by the employee initiating the shift preference and will not be charged with a shift preference. **The employee initiating the shift preference will be placed on the job of the employee being displaced, and the employee being placed will be placed on the job left vacant by the initiating employee. The displaced employee will not be charged with a shift preference.**

- (b) If a displaced employee is required to leave the department in order to be maintained on the shift of his preference, the Employment Department will assign him to the department in which the employee having the least seniority on that shift is working. The employee so displaced will take the job left vacant in the other department by the employee who originated the shift preference. Neither of these displaced employees will be charged with having changed his shift preference.
- (c) If the employee having the least seniority in the occupation in the department on the shift who is to be displaced prefers to remain in that department rather than take the place of the employee initiating the shift preference,

he may exercise shift preference to the extent his seniority permits within the department. In any case, the employee who is displaced in that department will take the place of the employee initiating the shift preference.

LETTER OF UNDERSTANDING

In the application of Article Five, Section 10, an employee placed under Article Five Section 7, would have the same rights in exercising shift preference that he would have if he had been placed under the application of seniority provisions.

9. TEMPORARY SHIFT CHANGE

- (a) Temporary change of shifts may be permitted when necessary without necessitating a shift preference change. It is understood that no employee will be moved from his designated shift preference under this subsection without his agreement and that such a temporary shift change will be limited to a period not to exceed ten (10) work days, providing there is agreement between the supervisor and the steward. It is understood, however, that such determination will be made based on the facts of the case.
- (b) Temporary shift changes as described above in subsection 9 (a) may be extended beyond the ten (10) work day limitation without necessitating a shift preference change with agreement between the supervisor, steward, and the committeemen of the zone involved.
- (c) Temporary shift changes as described above in subsection 9 (a) may also be permitted without necessitating a shift preference

change at the request of the employee requiring such a temporary change due to emergency situations, personal problems, etc. providing the supervisor and the steward agree to such a change.

10. SHIFT PREFERENCE—TRAINING PERIODS

When an employee is assigned to work as a "trainee" with another employee (i.e. two or more employees assigned to one job), the "trainee" cannot be bumped during the initial thirty (30) work days of such job assignment. This provision applies to both skilled and non skilled employees.

11. SHIFT PREFERENCE—FILE MAINTENANCE

The Company shall maintain a file of the shift preference of each employee. To the extent possible the file shall be kept current and shall be available for examination by Local 287 Union representatives during normal office hours. The file which denotes the shift preference of each employee was established immediately after the execution of the effective bargaining agreement dated March 8, 1971. This file has been updated continually thereafter by the Company as changes in shift preference have been submitted.

Refer to Article 5, Section 3, paragraph 3 concerning shift preference during a reduction.

SECTION 11 - TRANSFERS THROUGH EMPLOYMENT OFFICE

All hiring, transfers and layoffs shall be made through the Employment Office of the Company. The Company shall have the right to determine the time

and duration of layoffs and transfers occasioned by lack of orders, lack of materials or equipment, heavy inventories, repairs, replacements or other necessary causes. Wages of employees laid off or discharged will be discontinued at the beginning of the layoff or discharge period. The application of this Section is subject to the terms of this Agreement.

SECTION 12 - FILING OF ADDRESS CARDS

Employees must promptly notify the Employment Office in writing of any change in their address by the use of Change of Address cards made available at the supervisor's offices and other convenient locations throughout the plant. Employees who are laid off must give written notice to the Employment Office of any change in address. The financial secretary of Local 287 will be notified monthly of changes of address cards filed with the Employment Office.

SECTION 13 - NOTIFICATION FOR RETURN TO WORK

Upon resuming operations after a layoff, the Company shall notify each employee who is called back to work either personally or by telephone or by certified mail (return receipt requested) at the address on file in the Employment Office of the date for returning to work. Should any employee be terminated for failing to return to work, the Employment Office will promptly notify the chairman of the negotiating committee.

SECTION 14 - TERMINATION OF SENIORITY

Seniority shall be terminated for the following reasons only, when an employee

- (a) Quits his employment; or (if an employee elects to voluntarily quit, it will be encumbered on the Human Resources Department to notify the appropriate union committeeman and/or

Chairman or President of the Bargaining Committee. The union official will then contact the employee who voluntarily quit within 24 hours of when the Union was notified of the quit. The purpose of this memo is to ensure the Union that when an employee quits and wishes to change his mind within the 24 hour period, the Company will be required to review the voluntary quit and determine whether or not it should be accepted or rescinded).

- (b) is discharged for just cause; or
- (c) is absent from work or fails to notify the Company for five (5) consecutive regular work days except when an authorized vacation or leave of absence, unless a reasonable excuse for such absence or lack of notification is given to the Company; or
- (d) Fails to return to work within five (5) regular work days after being notified by the Company to report to work unless a reasonable excuse for failure to report for work is given; (no employee's seniority will be terminated unless a notice of recall has been sent by certified mail, return receipt requested, to his last known address on record in the Employment Office and the above five (5) days shall commence with the work day following the date of mailing); or
- (e) Is laid off (1) for a continuous period equal to the seniority he had acquired at the time of such layoff; or (2) for three (3) years, whichever is longer; or
- (f) Is employed elsewhere while on leave of absence except by prior mutual consent of the Company and the Union; or
- (g) Fails to return to work within five (5) reg-

ular work days after the expiration of a leave of absence, unless a reasonable excuse for failure to return is given to the Company; or

- (h) Retires under the Retirement Income Program, except that the seniority of employees who retire under total and permanent disability is to be handled as provided in the Retirement Income Program; or
- (i) The Company reaffirms its policy of keeping the Union leadership fully advised with regard to violations of the above provisions and pledges to continue to work closely with the appropriate Union representatives in a cooperative manner through the Employee Assistance Program and other counseling services to provide programs for the rehabilitation of employees affected by the application of these provisions if such programs are deemed appropriate. It is further pledged that the Company's long-standing practice of treating employees who have human problems in a humanitarian manner will be continued as in the past.

LETTER OF UNDERSTANDING

In determining whether an employee has a reasonable excuse for failing to respond to a recall under Article Five, Section 14 (d), the failure of an employee to notify the Company of a change of address under Article Five, Section 12, will not automatically be grounds for termination.

LETTER OF UNDERSTANDING

It is the intent of the Company that with regard to the falsification of employment applications,

such falsification will not automatically be cause for termination of employment or discharge providing the employee in question has established a satisfactory work record over a period of eighteen (18) months.

The two-year stipulation as such is applied to falsification of employment applications under the terms of Article Four, Section 4, when such is concerned with medical and/or health status of an employee, is not affected in any manner by the above statement.

LETTER OF UNDERSTANDING

In the application of Article Five, Section 14 (e) it is agreed between the parties that anyone whose seniority is terminated twice under this Article and Section would have the time extended before the second termination to five (5) years or length of service, whichever is longer.

SECTION 15 - SERVICE IN THE ARMED FORCES

Any employee who has left a position with the Company to enter military service will receive all available rights to which he is entitled under any appropriate federal laws.

SECTION 16 - SENIORITY OF UNION OFFICIALS

Stewards shall have greater seniority than any hourly-rated employee in the stewards respective area of responsibility for lay-off and recall purposes. Members of the negotiating committee including the union president, during their term of office, shall have greater seniority than any other hourly-rated employee for lay-off and recall purposes.

SECTION 17 - SENIORITY WHILE SERVING IN SUPERVISORY POSITION

Any person who is now employed in or may be promoted to a supervisory position with the Company shall not forfeit any of his seniority in his regular occupation and may be returned to such occupation at any time with full seniority rights and with accumulated seniority while employed as supervisor. If a supervisory employee is discharged, he may, if he so desires, have the question of his reemployment in the bargaining unit presented by the negotiating committee to the Company and disposed of through the final steps of the grievance procedure of this Agreement or by arbitration.

Supervisors affected by 1986 language regain return rights and lost seniority. Supervisors affected by 1989 will stop frozen seniority effective March 12, 1995 . An employee who accepts a supervisory position subsequent to **March 12, 2001 will have a lifetime maximum of ninety (90) work days to return to the bargaining unit, after that date their seniority will be frozen and they will not have return rights.** Restoration of Union officials pension credits during the life of this contract. Also, future Union officials that participate in the RSP will be covered.

SECTION 18 - SENIORITY LISTS

The Company will keep an up-to-date seniority list and employee's record within each department and occupation on file in the office of the supervisor, and said seniority list and employee's record shall be made available for inspection by members of the steward body and the negotiating committee. A master seniority list and employee's record shall be kept in the Employment office and shall be available to all members of the steward body and the negotiating committee. Copies of such master seniority list shall be posted in the lobby of each plant at least once each four (4) months.

As seniority lists are updated, a copy will be sent to the office of Local 287, and a copy given to the Chairman of the Negotiating Committee.

SECTION 19 - ACCESSION AND TERMINATION REPORTS AND UNION DUES DEDUCTIONS

(a) ACCESSION REPORTS.

The Company shall supply the financial secretary of the Union accession reports with the following data of employees entering the bargaining unit: Date hired - Social Security Number - Reason for leaving - Clock number - Seniority date.

(b) TERMINATION REPORTS.

The Company shall also supply the financial secretary a Termination Report of those employees leaving the bargaining unit with the following data included: Clock number - Date leaving - Reason for leaving - Social Security Number.

(c) UNION DUES DEDUCTIONS.

The Company will supply each bargaining unit employee at the end of each calendar year with a report of the total Union and V-Cap dues which have been deducted from his pay during the year.

LETTER OF UNDERSTANDING

The Company agrees to furnish the Chairman of the Negotiating Committee with written notifications of terminations made under the provisions of Article Five, Section 14, (a), (b),(c),(d),(e),(f),(g), (h) and (i) of the Labor Agreement. In addition, effective with the 1974 Labor Agreement, the Company will also notify the chairman of the negotiating committee of terminations involving probationary employees. If

requested by the Union, the Company will support the reasons for such termination with available evidence.

SECTION 20 - RESPONSIBILITY

The Company shall be held responsible for applying the seniority provisions of this Agreement and any loss of working time resulting from a deviation therefrom shall be paid to the employee affected according to his hourly rate of pay for the period or periods in which said deviation occurred, provided that any employee affected by any such deviation or discrepancy must notify the Company in writing within fifteen (15) days after such deviation or discrepancy occurs. Company's liability will be limited to ten (10) days. In the event of a layoff, it shall be the supervisor's duty to notify the Employment Manager of the number of employees to be laid off. The Employment Manager in turn shall furnish the supervisor with the names of the employees to be laid off or transferred.

SECTION 21- CHANGING OCCUPATIONS

When a production or non-production occupation is out of balance for the following reasons:

1. Job elimination
2. Occupation elimination
3. Material changes
4. New types of machinery
5. Change of method
6. Disability transfers
7. Reduction of Work Force

for leveling-off purposes, it shall be optional with the senior employees to transfer to other occupations that are not overloaded. If, due to any of the reasons mentioned above, an occupation has been overloaded in the past and at the present time is out of balance, for

leveling-off purposes the junior employees shall be transferred to other occupations, and leveling-off of all occupations shall be decided by negotiations between the Company and the negotiating committee and shall be transferred in a manner that will keep the occupations in balance.

In the event an occupation should increase again after having been leveled off subsequent to the date of the signing of the current contract those employees who were removed from that occupation in the leveling will have first option to return to that occupation starting with the employee with the greatest seniority. On their return they will immediately have full seniority rights in that occupation.

If the parties cannot agree on the balancing of occupations, the same shall constitute a grievance under the Grievance Procedure, and the negotiating committee may submit a grievance hereunder beginning with Step 3.

If employee has been reduced from his occupation for ninety (90) days he shall have the option to choose the occupation in which he is working prior to notification of return to original occupation. Any employee who exercises the above option will not have return rights to his original occupation under this Article Five, Section 21.

SECTION 22 - DOUBLE SHIFTS

When due to the application of this Agreement, an employee would be required to work sixteen (16) consecutive hours, the employee will receive overtime premium for the 2nd eight (8) hours if he works. Should the employee refuse the 2nd eight (8) hours, he will not be eligible for SUB. Overtime will not be charged to overtime equalization.

ARTICLE SIX

LEAVES OF ABSENCE

SECTION 1 - PERSONAL LEAVES

Temporary leaves of absence for not to exceed thirty (30) work days, without loss of seniority, will be granted by the department supervision if possible. Such leave may be extended up to an additional thirty (30) work days by approval of the manager of manufacturing.

Leaves of absence in excess of sixty (60) work days may be granted without loss of seniority upon such terms and conditions as may be agreed to between the Company and the negotiating committee. Written requests for such leaves shall be made to the supervisor of the department in sufficient time in advance to arrange for the employee's absence.

It is agreed between the parties that seniority employees of Borg-Warner Automotive, Diversified Transmission Products Corporation, Muncie Plant are eligible to be granted leaves of absence for reasons of economic hardship in accordance with personal leaves limitations.

An employee who is arrested or confined may be granted, upon written request, a personal leave of absence not to exceed his seniority at the time such leave begins or for three (3) years, whichever is longer, with the mutual consent of the Company and the Union. Such an employee must satisfy the Company and the negotiating committee that the offense could not have been reasonably avoided or that the crime for which convicted was one in which criminal intent was not an essential element.

An employee who is to be inducted into the Armed Services shall be granted up to fifteen (15) days prior to entering the service provided the Company is notified as soon as possible.

No personal leaves will be granted until such time as the employee has exhausted his vacation time as provided for under Article 10, Section 6. If an employee requests a personal leave of absence of a short duration (5 days or less) the "K" code will be used on the absentee control system and the determination of the request will be by the supervisor.

PROBATIONARY EMPLOYEES

It is agreed that probationary employees can be provided a leave of absence for just cause during their probationary period. The leave is subject to the following terms and conditions:

1. The leave should be submitted on leave request form #MD729 stating name, clock number, length of service, date submitted, address, telephone number, date absence is to begin, date absence is to end and reason for absence.
2. It is understood the leave request must be for just cause and verification of reason will be documented and provided upon request. Such leave request must be approved by the Company and the Union.
3. It is also agreed that the one leave request can be granted for a maximum of thirty (30) calendar days.
4. It is understood that any leave request in excess of five (5) work days will break consecutive service. Upon rehire, the provisions of Article Five, Section 1, will apply.

SECTION 2 - SICK LEAVES

During extended periods of illness, employees shall be considered on sick leave. The Union will be notified of all such leaves. During such leaves of absence, the seniority of the employee shall continue to accumulate. An employee who is absent on sick

leave and such absence is questioned shall furnish upon request by the Employment Department a written statement as to the employee's condition signed by his doctor. However, the Company will not unreasonably request such statement. **Upon returning from sick leave employee will return to job they left, seniority permitting.**

SECTION 3 - UNION DUTIES

Members of the Union selected by the Union to perform duties which take them away from their employment shall, at their request, receive a temporary leave of absence without pay and without loss of seniority and upon their return they shall be assigned to their regular job in their home department, seniority permitting. **Upon returning from Union leave the employee will return to job they left, seniority permitting.**

SECTION 4 - PUBLIC OFFICE

Leaves of absence with accumulated seniority, renewable each year during the term of office, shall be granted to members of the Union who are elected or appointed to public office (city, township, county, state or federal) if the duties of the office require the employees to be absent from their employment with the Company, except positions in civil service, police or fire department or where pension plans are established.

Leaves of absence for an employee seeking office in any city, township, county, state or federal election may be granted upon such terms as may be agreed upon between the Company and the negotiating committee.

SECTION 5 - PEACE CORPS

Any employee upon written application to the Company shall be granted a leave of absence with accumulated seniority for a period of not to exceed

three (3) years for service in the Peace Corps. It is understood that such employee shall be granted ninety (90) days after completion of service in the Peace Corps to return to work.

SECTION 6 - SCHOOLING

(A) Request for leaves of absence to attend school will be granted on the following basis:

Employees of Borg-Warner Automotive, Diversified Transmission Product, Corp., Muncie Plant, will be granted leaves of absence to attend accredited colleges, universities, or technical training schools for not to exceed one year, providing that such employees must have a minimum of one (1) year's seniority at the time the leave is requested. Yearly extensions will be granted, if needed, to complete such schooling.

It is understood that such an employee must verify upon request continued attendance of such schooling and be classified as a full-time student of such institution. A full-time student will, for the purposes of this Agreement, be considered as a student who is enrolled in excess of a fifty percent academic or training schedule.

(B) TUITION/EDUCATIONAL ASSISTANCE PROGRAM

Company offers in-house technical and college courses. College course offered at 75% reimbursement when taken on-site and job related. GED testing and course work is now offered free in the Muncie Community at no cost to employees. Also, GED is offered on Channel 2 at minimal cost.

Currently, the Company spends in excess of \$2M annually for training and education. All active bargaining unit employees are eligible to attend

college level courses sponsored on-site by Borg-Warner, Muncie Plant. The Company offers in-house Bachelors and Masters programs. Any bargaining unit employee can attend at 75% reimbursement providing a grade of C or better is received by the student. The reimbursement is limited to \$1000 each calendar year.

The Company agrees to make arrangements for active employees for vocational and technical training that is job related in the plant where there is an employee interest and business need. There needs to be at least 12 employees to begin a class out in the plant. When there is sufficient interest, i.e., 12 employees or more, and the course work is job related, the Company will make the arrangements with educational institutions to offer in-house courses during off duty hours.

SECTION 7 - FAMILY MEDICAL LEAVE

All bargaining unit employees are covered by the Family Medical Leave Act. Employees are required to utilize paid sick leave or leaves of absence as part of the Family Medical Leave allowance, however, employees are not required to utilize vacation.

ARTICLE SEVEN APPRENTICESHIP

The apprenticeship program attached hereto and made a part hereof shall be carried out by the Company and the Union. (See Apprenticeship Standards)

ARTICLE EIGHT WAGES

SECTION 1 - WAGE RATES

Wages: 1st Year - \$1500 bonus payable upon ratification and signing of new agreement within one week of return to work to:

1. All employees on active payroll as of 1/8/01
2. All employees on sick leave or layoff as of 3/12/01 upon his/her return to work within 1 year of the effective date of the agreement.

2nd Year- \$.35 per hour effective the first pay period starting after 3/12/2002

3rd Year- \$.35 per hour effective the first pay period starting after 3/12/2003

4th Year- \$.30 per hour effective the first pay period starting after 3/12/2004

COST OF LIVING ALLOWANCE

The cost-of-living adjustments will continue during the term of this agreement. The amount of any cost-of-living allowance in effect at the time will be included in computed overtime premium, vacation pay, year-end bonus, holiday pay, reporting pay, call-in pay, jury duty pay, bereavement pay and short-term military pay.

The amount of the cost-of-living allowance will be determined and redetermined, from time to time as hereinafter provided, on the basis of the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics, United States Department of Labor and referred to herein as the "Index."

Continuance of the cost-of-living allowance shall be contingent upon the availability of the Index in its present form unless otherwise agreed upon by the Company and the Union.

In the event the Bureau of Labor Statistics shall not issue the appropriate Index on or before the beginning of one of the effective dates herein above specified for an adjustment of the cost-of-living allowance, any adjustment in the allowance required by such Index shall be effective at the beginning of the first pay period after receipt of such Index. No adjustments, retroactive or otherwise, shall be made in the amount

of the cost-of-living allowance due to any revision which later may be made in the published figures for the Index for any month of the basis of which the allowance shall have been determined.

The amount of the cost-of-living allowance determined as herein above provided will be included in the regular weekly pay check of an employee.

The quarterly cost-of-living allowance adjustments will be one cent (1¢) per hour for each .3 change in the index (1967-1969=100).

SEE PAGE 195 COST OF LIVING SCHEDULE.

- All employees shall be paid on an hourly rate basis.

During the period January through June, 1987, the Company will monitor the current CPI-W against the CPI-W revised. At the appropriate time the Company continue the present cost structure to the Company.

SEE EXHIBIT I, PAGE 195

COLA DIRECTED TO RETIREES:

4/80 - 8¢	6/98-.01¢	9/99-.01¢	1/01-.01¢
7/80-.05¢	9/98-.01¢	1/00-.01¢	4/01-.01¢
4/81-.03¢	1/99-.01¢	4/00-.01¢	
4/82-.03¢	4/99-.01¢	9/00-.01¢	

During the 2000 negotiations, it was agreed that \$.02 per quarter of COLA would be deferred to retirees beginning 2nd quarter 2001 for life of the agreement.

NEW EMPLOYEE WAGES

1. Orientation (80 hours)
1st 40 hours = Minimum Wage
2nd 40 hours = Minimum Wage plus \$.50

Time spent in the orientation program will count towards gaining seniority consistent with Article Five of the Company/Union contract. **Eight hours of the orientation program will take place at Local #287 Union Hall.**

2. New employees hired after **March 12, 2001** will be compensated based on the following percentages of their current occupation's wage rate:

60% - 1st 6 months - work time

64% - 2nd 6 months

68% - After 12 months

72% - After 18 months

76% - After 24 months

80% - After 30 months

84% - After 36 months

88% - After 42 months

92% - After 48 months

96% - After 54 months

100% - After 60 months

3. New Skilled Trades employees hired after **March 12, 2001** will be compensated under **Schedule II**.

SECTION 2 - TRANSFER TO PREVIOUS OCCUPATION

An employee who is transferred to an occupation in which he has formerly worked will be paid the highest rate he had attained in that occupation.

SECTION 3 - TRANSFER FROM ONE OCCUPATION TO ANOTHER

Any employee having seniority who is changed from one occupation to another shall be paid the three (3) months' rate as shown in Schedule II (Non-production Rates) and/or the current owner operator rate.

SECTION 4 - SHIFT PREMIUMS

Employees working on the third shift will receive a premium of **twenty-five (.25) cents** per hour.

Employees working on the first shift shall receive a premium of **thirty (.30) cents** per hour.

SECTION 5 - LEAD PERSON

Any non-production employee who has attained seniority and the maximum rate of the classification, may at any time be appointed by their supervisor to serve temporarily as a lead person to act as leader of the work unit to which they may be assigned and to give routine instructions and directions and properly distribute the work among the employees in such work unit, or to do their work within the occupation by assignment of the supervisor. Assignment to this classification cannot be made effective until approved by the Manager of Manufacturing or his designated representative.

Lead person shall perform their duties properly or a complaint may be filed by the work unit affected, and if the complaint is found to be just, they will be removed. Lead person shall continue to perform actual work in their classification and there shall be no change in their seniority status. Lead person will be given a temporary classification as such and paid an hourly rate of thirty-five (35) cents per hour more than the maximum rate of their classification.

It should be noted that lead person are working members of the work unit. They are not responsible for disciplinary action, nor are they responsible for job performance evaluation.

See Skilled Trades Memorandum #11.

SECTION 6 - WEEKLY PAY

The Company will continue to pay wages earned on a weekly basis. The first shift will be paid on or before 7:30 a.m. on Friday; the second shift will be paid on or before 3:30 p.m. Friday; and the third shift will be paid on or before 11:30 p.m. Thursday. **Employees hired after 3/12/2001 will have their paychecks direct deposited or mailed to their homes.**

ARTICLE EIGHT "A"

OWNER OPERATOR

SECTION 1 - OWNER OPERATOR

1. (A) All production work will be done by an occupation known as owner operator. Non-production work, except for EEOU and Skilled trades work, may be done by Owner Operator, unless otherwise designated.

(B) The owner operator occupation will be paid an hourly rate equal to the present hourly rate now being paid, plus all negotiated wage increases.

It is agreed that the Company has the full right to use the owner operator concept as a basis for bidding on new work and of implementing the concept if successful in obtaining the new work.

SECTION 2 - PRODUCTION GROUPS

- (A) A production group will consist of a logical grouping of machines and operations associated with the production of specific parts, families of parts or operations. It is not the intention of the Company to combine segments of more than one department into a single group. The Company agrees to consider recommendations by the Union relative to group formation where it is indicated that such will lead to a more efficient operation. Seniority in the Owner Operator Occupations will be exercised by group, department, then occupation.
- (B) It is agreed between the Company and the Union that when production lines are moved

from one group to another group or one department to another department, employees working in their occupation who normally work on jobs which are moved to another group or department shall have the right to take the other group or department as their home group or department. The Company will be willing to consider situations that may arise other than production lines. Such employees will be moved to the new group or department and shall have five (5) work days to decide whether to stay or to return. Those employees who choose to stay will automatically have the new group or department and new occupation, if applicable, as their regular group or department and occupation. Whether employees, having chosen a new group or department, may remain in that department, will be determined by the seniority provisions of the contract. It is intended that the above procedure be consistent with past practice, allowing employees affected by the moves to exercise options available to them but at the same time not jeopardizing the rights of other seniority employees.

- (C) During the 1980 negotiations the Company and Union agreed to the extension of the group seniority concept as currently practiced to those areas of the plant which have not practiced such concept. This also includes areas where the owner operator occupation exists.
- (D) The Company and the Union agree to commit to a policy that prohibits the reassignment of employees within a group solely on a supervisor's desires to infor-**

mally discipline or to retaliate for non-work related issues. However, it is clear to the Union that the Company must rely on its supervisor's to manage the efficiency of the group through the proper assignment of manpower in a productive manner.

- (E) It is agreed between the Company and the Union, that employees working in their occupation within a group on the affected shift will be offered by seniority for openings within the group prior to the posting of the opening. There will be no domino effect allowed within the group. That is, the first opening, which is defined as: 1) retirement of an employee; 2) increase; 3) new equipment that increases manpower; 4) employee promotes out; 5) termination; will be the only opening filled in this manner. In those instances when the Company believes the outcome of the above procedure would have an adverse effect on the efficient operation of the group, the parties will meet to discuss the issues in a good faith effort to resolve such issues to provide the efficient operation of the group.

The above paragraph will also pertain to the Non-Production Occupations.

Letter of Understanding

During the 2000-2001 negotiations the Union made it clear that it did not agree that the Company could unilaterally combine groups. They point out Article One Recognition grants them the rights to bargain collectively

on rates of pay, wages, and other conditions of employment. In addition, they point out a history of negotiating and discussions over group creation and modification.

The Company without abridging its rights clearly outlined in Article Eight "A" and Article Thirteen agree during the life of the 2000-2001 agreement not to reduce groups without discussions with the Union, and the Company will not reduce any department by more than one group without mutual agreement.

In addition, in areas where new work is established the parties will set-up the groups and group seniority concept as practiced in the current Owner Operator occupations.

It should be understood that it is not intended by the Company that any statement contained within this Letter of Understanding limits, restricts, or infringes on any of the rights normally exercised by the Company through the years with regard to the combination and/or splitting of production groups for reasons of efficiency as a prerogative of management.

SECTION 3 - SPECIAL WORK

1. Operators selected by the Company to do preliminary production work, or to work on samples, or experimental products, or try out new machines, or do special setup work will receive their current rate or the rate of the special assignment whichever is higher.
2. All operators selected for special work in an extended situation, will share overtime with other members on special work and will return back to their group at average.

3. After special work is completed, the operator shall be returned to his original job. If, upon his return from such assignment, his original job has been eliminated, he shall replace the employee with the least seniority in his occupation in his regular department. If his seniority does not permit this, he shall replace the employee with least seniority in his occupation plant wide.
4. An operator so selected may remain on the job rather than be returned to his original job by mutual agreement in writing signed by the employee, the steward, and the supervisor. Employees who do not choose the new group or department may, if needed, be assigned temporarily to the new group or department until the group or department is operating efficiently and then will be returned to their original group or department. Whether employees, having chosen a new group or department, may remain in that department, will be determined by the seniority provisions of the contract.

SECTION 4 - ALLOWANCES

The normal work day shall include allowances for personal time, wash-up time and lunch period of 54 minutes per day, consisting of two (2) five-minute wash-up periods (one prior to lunch, one just prior to end of shift), a twenty (20) minute lunch period and two (2) twelve- (12) minute breaks. It is agreed between the parties that all bargaining unit employees will take any and all breaks within the area of the plant in which they are currently working.

It is understood that with regard to employees going outside the plant during personal time all employees must observe and comply with Plant Rule B(5) which states that an employee may not leave his department

without permission at any time prior to the five-minute wash-up periods. However, employees will be permitted to step outside the building at certain designated places and times during their personal time consistent with the normal department routine. Such areas and times will be designated by the supervisor who will inform the steward accordingly. It is important that each employee be aware of where he has permission to be and at what time. Any employee found in these areas at any time other than indicated by the supervisor or in non-designated areas will be directed to return to his work area immediately.

SECTION 5 - INSTRUCTION

An employee who requires instruction will be instructed by the supervisor or by an employee selected by the supervisor.

Under normal circumstances, probationary employees should not be used as instructors.

If a probationary employee is to be used as an instructor, the steward will be notified. Such notification should occur before the assignment if at all possible or if not, as soon as possible after the assignment.

SECTION 6- PAID NON-WORK

The following items will be paid at current pay rate if otherwise qualified under appropriate Collective Bargaining Agreement:

1. Reporting pay.
2. Jury duty pay.
3. Bereavement pay.
4. Short-term military pay.
5. Company requested pallbearer.
6. Employees serving in color guard.
7. Union-requested pallbearers for active or retired employees for a local funeral.
8. Holiday pay.
9. Blood donor time.

10. United Way solicitation time.
11. Meetings called by Company.
12. Authorized steward time (Union activity).

SECTION 7- USE OF CONTROL ROOM

The control room computer system will not be used for disciplinary purposes unless probable cause has been established.

SECTION 8 - UNION

REPRESENTATIVE/PRODUCTION MEASUREMENT

- A. The Company and the Union agree to maintain a Union Representative trained in the methods of production measurement that can be utilized in addition to his regular occupation to assist with grievances pertaining to production goals.
- B. The Union Representative described in "A" above will be selected for training by the Union. Every good faith effort will be made to select individuals who have the required knowledge and abilities to assimilate the training necessary to enable them to discharge their obligations both to the membership of Local 287 and the Company.
- C. Prior to the implementation of the training, the Company and the Union will mutually agree on a list of training institutions and/or courses from which the trainee may select to attend.
- D. All costs associated with the training of individuals who at the completion of their training qualify as such a Union Representative will be borne by the Company. All costs associated with the training of individuals who at any time during their training fail to qualify will be borne by the Union.

- E. Individuals so trained and qualified as such a Union Representative that are selected will be expected to serve a minimum three-(3) year term of duty, unless otherwise mutually agreed by the Company and the Union.
- F. The Union Representative will be paid his regular rate of pay for time spent in the investigation of the grievances involving the setting of production goals.
- G. The Union has expressed concerns with the way the production goals were set in the owner operator occupation. The intent of this language is to ensure the Union that any alleged discrepancies in production goals will be subject to the Grievance Procedure in Article Three.

SECTION 9 - APPLICATION

All items not stated in this Article will be governed by the provisions in other locations of this Agreement. In the event that an incentive plan of any kind is being considered for possible use at the Borg-Warner Automotive Diversified Transmission Products Corporation, the Company agrees to negotiate with the Negotiating Committee any and all issues regarding any types of incentive oriented plans prior to implementation (ref: Article I, Section 1, (a)).

ARTICLE NINE HOURS OF WORK

SECTION 1 - STANDARD WORK WEEK

There shall be established a standard eight-(8) hour work day and a forty-(40) hour work week but this shall not be used as a guarantee of any number of hours of work per day or per week. A work day shall consist of twenty-four (24) hours extending from 11:30 p.m.* to 11:30 p.m.* of the next succeeding day and a work week shall consist of five (5) successive

days starting at 11:30 p.m.* on Sunday and ending at 11:30 p.m.* on the following Friday.

*Twelve midnight for EEOU

SECTION 2 - OVERTIME PAY

One and one-half (1½) times the regular straight time earned rate will be paid for all work performed at the request of the Company in excess of eight (8) hours in any work day and in excess of forty (40) hours in any work week and on Saturdays. Daily overtime pay shall not apply where hours are worked in excess of eight (8) in any work day as a result of a change in work shift due to the application of the seniority provisions of this Agreement. No employee shall be paid both daily and weekly overtime for the same hours so worked. Daily overtime shall be computed on a continuous 24-hour period beginning at 11:30 p.m.* and extending until 11:30 p.m.* on the next succeeding day. The Company will pay two (2) times the regular straight time earned rate for all work performed at the request of the Company on Sunday and the holidays designated under Article Nine, Section 3. All employees who qualify for holiday pay under Article Nine, Section 3, will receive holiday pay in addition to pay for time worked on the holiday. In the application of this section, the basic rate for computing overtime pay in all cases is to be the regular straight time earned rate. No employee may be compensated for overtime work at a rate in excess of that which is derived from a computation using his regular straight time earned rate as the basic rate. Overtime compensation shall not be pyramided. The present method of computing overtime pay is to be continued.

*Twelve midnight for EEOU

LETTER OF UNDERSTANDING

The Company agrees that in the application of Article Nine, Section 2, in those instances where the Company requests employees assigned to the 3:30 to 11:30 work shift to work overtime on the 11:30 to 7:30 shift, such time worked on the

11:30 to 7:30 work shift will be compensated at the appropriate overtime rate even though the employee in question does not work his regularly scheduled 3:30 to 11:30 work shift to qualify for overtime compensation as stipulated by the provisions of Article Nine, Section 1, and Article Nine, Section 2 of the Labor Agreement providing that the employee reports that he will be absent from his regular work shift prior to the beginning of such work shift or the 11:30 to 7:30 shift work assignment was not the result of a change of work shift due to the application of seniority as prohibited by the provisions of Article Nine, Section 2, of the Labor Agreement. If an employee is asked to work a period of time which would ordinarily qualify him for overtime premium he will not be disqualified from receiving such premium if he is unable to work his regular eight (8) hours due to working conditions beyond his control, such as out-of-stock, equipment down, etc.

SECTION 3 - HOLIDAY PAY

Holiday compensation for eight (8) hours will be paid to all employees having six (6) months of seniority who are at work during the regularly scheduled work day preceding and the regularly scheduled work day following each of the holidays designated below, which may fall within the standard five-(5) day work week. Employees who fail to report for work on qualifying days will receive holiday compensation if they present reasonable cause for not working acceptable to management. Payment of holiday compensation is subject to the following provisions or exceptions:

- (a) All employees will be paid at their regular straight time hourly rate, exclusive of shift and overtime premium.
- (b) When any of the holidays named below fall on Sunday and the Monday following is observed as

the holiday by the state or federal government, Monday shall be recognized as the holiday.

- (c) If an employee is scheduled to return to work after a leave or layoff and a holiday falls on the first regularly scheduled day for his return, he shall receive holiday compensation if he returns to work on the next regularly scheduled day following the holiday.
- (d) If a seniority employee is laid off and a holiday falls within seven (7) calendar days after his lay-off the employee shall receive holiday compensation for such holiday.
- (e) Employees with seniority who are on an authorized vacation shall receive holiday compensation for any holiday which may fall within the vacation period.
- (f) If a seniority employee is absent due to a plant injury and a holiday falls within seven (7) calendar days after the beginning of such absence, he shall receive holiday compensation for such holiday.
- (g) If a seniority employee is on sick leave and a holiday falls within seven (7) calendar days after the beginning of the leave, he shall receive holiday compensation for such holiday.
- (h) Employees who are requested to work on holidays and who agree to work but who fail to report for work will not receive holiday compensation, unless they present reasonable cause for failure to report acceptable to management. Employees on continuous operations who are required to work on holidays and who fail to report for work, will not receive holiday compensation.
- (i) Holiday compensation for time not worked is to be excluded from annual earnings in computing vacation bonus under Article Ten, Section 1, and Year-End Bonus under Article Eleven, Section 1.

The holidays covered by this section are:

Holiday	2001	2002	2003	2004	2005
Good Friday	Fri 4/13	Fri 3/29	Fri 4/18	Fri 4/9	Fri 4/25
Memorial Day	Mon 5/28	Mon 5/27	Mon 5/26	Mon 5/31	Mon 5/30
July 4	Mon 7/2	Mon 7/1	Mon 6/30	Mon 7/5	Mon 7/4
July 4	Tues 7/3	Tues 7/2	Tues 7/1	Tues 7/6	Tues 7/5
July 4	Wed 7/4	Wed 7/3	Wed 7/2	Wed 7/7	Wed 7/6
July 4	Thurs 7/5	Thurs 7/4	Thurs 7/3	Thurs 7/8	Thurs 7/7
July 4	Fri 7/6	Fri 7/5	Fri 7/4	Fri 7/9	Fri 7/8
Labor Day	Mon 9/3	Mon 9/2	Mon 9/1	Mon 9/6	Mon 9/5
Thanksgiving	Thurs 11/22	Thurs 1/28	Thurs 11/27	Thurs 11/25	Thurs 11/24
Day After					
Thanksgiving	Fri 11/23	Fri 11/29	Fri 11/28	Fri 11/26	Fri 11/25
Day Before					
Christmas	Mon 12/24	Tues 12/24	Wed 12/24	Thurs 12/23	Mon 12/26
Christmas	Tues 12/25	Wed 12/25	Thurs 12/25	Fri 12/24	Tues 12/27
Day Before	Mon 12/31	Tues 12/31	Wed 12/31	Thurs 12/30	Thurs 12/29
New Year's	Tues 1/1/02	Wed 1/1/03	Thurs 1/1/04	Fri 12/31	Fri 12/30
Birthday					
Total	15	15	15	15	15

Employees birthday with pay, must notify supervisor two (2) days in advance of taking birthday off. Employee must take day off - use it or lose it. If employee elects to work, he receives straight time pay. If birthday falls on Saturday or Sunday, the employee may take day off during the week. Can take another day during week other than birthday if supervisor approves and advance notice is given - Form MD1015 used for vacation requests must be filled out in this situation. Using this form in this situation will not effect vacation days. If an employee's birthday falls on another contractual holiday, the employee may take his/her birthday on another work day during the two-week period of his birthday.

SECTION 4 - EQUALIZATION OF OVERTIME

Overtime shall be equalized among seniority employees working within an occupation on the following basis:

- (a) Production employees, by occupation within the department. If the skills required are not supplied by the normal procedure used in each department, then fifty (50) percent of the employees scheduled may be regular members of the group, regardless of their position on the overtime list. Steward of the zone must be notified before using the 50% rule. The overtime record of an employee offered work as a result of the provisions of Article Nine, Section 4 (a) will be so marked as to serve as an aid in avoiding continued offers of such overtime work to the same employees.

Letter of Understanding

In the 2000/2001 negotiations the parties discussed and agreed that there are four distinct steps required when applying the 50% rule. They are:

- a. The overtime list will be run according to the uniform procedure;**
- b. The Steward of the zone must be notified before using the 50% rule;**
- c. If the requisite skills are not supplied by this list; the supervisor may replace up to 50% of those scheduled with regular members of the group regardless of their position on the list;**
- d. Overtime record of an employee offered work would be marked immediately.**

If all four steps are not adhered to, a liability could be created to those bypassed

- (b) Nonproduction employees, by occupation within the department except in the case of the EEOU which shall be by occupation within the unit.**
- (c) Skilled Trades Overtime – The skilled trades**

procedure agreed to by the Skilled Trades Stewards and Management currently in use will continue per established practice.

No probationary employee will be permitted to work overtime in any of these occupations until all available seniority employees in the occupation have been given the opportunity to work such overtime in accordance with the sequence listed on page 107. Skilled Trades overtime offering to include probationary employees and shall be done according to a procedure agreed to by the Skilled Trades Stewards and Management.

The Company will keep a record of each employee's overtime working in the occupation and will review each employee's overtime record with the steward as often as may be required to insure proper equalization. If an employee who is asked to work overtime hours declines, his overtime equalization record will be charged with the number of hours for which he would have been paid rather than the hours he would have worked. A uniform procedure will be established between the stewards and the supervisors and will be followed in the equalization of overtime work opportunity.

Memorandum of Agreement

During the 2000/2001 negotiations the parties discussed the need to streamline the overtime offering procedures. An experimental procedure was agreed to in principle which would include bargaining unit employees whose duties would include working at the request of the Company to administer the overtime equalization procedures (Article Nine-Section 4) and assist in manpower moves (Article Five-Section 10). Either party could withdraw from this agreement with 60 days

notice and the work performed would revert back to management employees. Special qualifications would be required by those filling these positions and if their work was not accurate or otherwise unsatisfactory they could be removed and placed back in their previous department, occupation, and group based on seniority.

Master overtime records will be marked immediately to avoid error and/or confusion.

New employees on acquiring seniority will be credited on their overtime record at the time of acquiring seniority with the maximum hours of overtime worked in the occupation at that time, and from that point on they will share overtime in the occupation with others working in that occupation. This maximum is to be computed for the week such employees are eligible to share overtime in that occupation.

Seniority employees transferred to an occupation or cleared of disabilities will be credited with the average overtime worked in the occupation in that department at the time of transfer or disability clearance and will share overtime within the occupation from that point forward.

It is understood that the provisions above do not apply to stewards and committeemen. It is agreed that stewards shall be offered work on their current shift during any periods of work beyond a scheduled forty (40) hours in their respective zones excluding regularly required trick maintenance.

Committeemen will be offered overtime work for the purpose of providing Union representation on the basis of one committeemen for each **fifty (50)** bargaining unit employees scheduled for and accepting overtime assignments on their current shift, excluding regularly required trick maintenance and unscheduled or emergency overtime assignments, with such overtime being equalized among the committee members

in a manner acceptable to the committee as submitted by the committee in writing to the Manager, Human Resource.

LETTER OF UNDERSTANDING

COMMITTEEMEN OVERTIME - ARTICLE

NINE, SECTION 4 It is understood that the number of committeemen, exclusive of the EEOU committeeman, eligible to work overtime on their current shift under the terms of Article Nine, Section 4, Equalization of Overtime, of the Collective Bargaining Agreement effective March 7, 1977, shall be as follows:

Number of Bargaining Unit Employees Working Overtime on 7:30 a.m. Work Shift	Number of Committeemen Eligible to Work Overtime on 7:30 a.m. Work Shift
1-50	1
51-100	2
101-150	3
151-200	4
201-250	5
251-300	6
301-350	7
351-400	8

The EEOU committeeman will be offered overtime and be eligible to work overtime as in the past.

Time off the job for stewards during periods of overtime will be limited to that required to investigate and adjust grievances arising during the overtime period in question.

Committeemen and stewards will be credited with the average overtime worked in their occupation in their department at the time their term expires.

In the EEOU the overtime spread in each occupation shall not exceed twenty-eight (28) hours; however, this twenty-eight (28) hour limitation may be reasonably extended by agreement between the committee-

man and the supervisor and shall be extended in the case of out-of-town work assignments subject to the obligation of the Company to equalize overtime as provided herein upon completion of that assignment. Work performed on a holiday which falls on Monday through Friday will be considered as overtime work to be equalized. If the offer of overtime fails to provide enough employees in the skilled occupations, then the remaining assignments in those occupations will be made on that basis of seniority within the occupation and department as contemplated in Article Nine, Section Three. If more employees are required in occupations other than the skilled occupations, an effective alternative will be agreed upon between the parties.

It is agreed that overtime work in production occupations will be offered in the following manner:

- (a) Seniority employees within the occupation in the department - single shift
- (b) Seniority employees within the occupation outside the department - single shift (The requirement of item "b" has been met if the employee outside the department has been offered an opportunity to work a single in his assigned department).
- (c) Seniority employees within the occupation in the department - double shift
- (d) Probationary employees within the occupation in the department - single shift
- (e) Seniority employees within the occupation outside the department - double shift

Employees will be offered the overtime opportunity, singles and doubles, whether the employee accepts or refuses the offer.

Whenever all seniority employees in the non-production, skilled trades and EEOU occupations in the

department affected have been offered overtime opportunity and still more employees are needed, the supervisor, **coordinator** and the steward will work together and the overtime opportunity will be offered to seniority employees with that occupation in other departments. If sufficient employees with the occupation cannot be obtained from other departments, employees in the occupation in the department affected will be offered double shifts unless it is decided that such overtime is to be canceled.

Any employee who refuses an offer of overtime for Saturday does not have to be offered overtime for Sunday. (SEE LETTER BELOW)

LETTER OF UNDERSTANDING

During 3.5 step grievance meetings in August/September 2000 the Company and the Union had exhaustive discussions regarding the Saturday/Sunday language contained in Article 9, Section 4. This language was changed in 1998 negotiations due to the Company's concerns that employees were "premium-picking" Sunday (double time) overtime. The intent of the parties was to address this concern, however, in practice this language has created equalization inequities. The company continues to need protection against such "premium-picking" and the union needs to have protection against a future spread in overtime hours similar to that which exists today.

In the spirit of the above, the parties agree to the following:

The Saturday/Sunday language will be suspended indefinitely. If the amount of double time worked in any department becomes excessive as a result of employee refusals/cancellations of Saturday then the Saturday/Sunday language will be reinstated for that department. The Company and the Union will review the department data each week and

Human Resources will determine if the language needs to be suspended or reinstated. The intent of this review is to determine if this data reveals that employee refusals/cancellations of Saturday have created an increase in Sunday overtime in a given department. The data to be reviewed will include the number of employees needed for Saturday/Sunday, number of employees solicited, number of refusals/cancellations and actual number of employees who worked. This data will be compared with past history to ensure that it is valid. For example, if historically a department has needed 40 employees on Saturday, and they suddenly start asking for 140 employees on Saturday, this would be an invalid number barring recent changes in business conditions.

Both parties recognize the staffing of the 3:30 shift on Saturday has been difficult and that the acceptance rate of overtime on this shift will not be a factor in reinstating the Saturday/Sunday language.

The above mentioned weekly review will be a three-part evaluation:

1. Is the double time being worked in the department excessive? If no, then the language remains suspended. If yes, then:
2. Is the excessive number of hours due to employee refusals / cancellations of Saturdays? If no, then the language remains suspended. If yes, then the language is reinstated for that department.
3. It is understood that following each weekly review Human Resources will determine whether the language is to be reinstated or continue to be suspended.

The intent of this language is to protect a shift in hours worked to the higher premium rate of pay, and to protect equalization of overtime.

The overtime record of an employee offered work both in the department and out of the department as a result of the provisions of Article Nine, Section 4a will be so marked as to serve as an aid in avoiding continued offers of such overtime work to the same employees.

"In "and "out" of department overtime will be offered to the employee with the lowest hours first regardless of shift.

Liabilities will occur on an hour for hour basis when the Company knowingly goes outside the agreed to uniform procedure on the offering of overtime outlined above.

Employees in the skilled occupations may be offered work up to two (2) hours beyond their regular overtime assignment. If it is anticipated that the work would take more than two (2) additional hours, then such work is to be offered in accordance with the provisions of the preceding paragraph. However, this two- (2) hour limitation may be reasonably extended by agreement between the steward or another recognized Union representative and the supervisor. (See Article Five, Section 9 re: scheduling of overtime in skilled trades occupations during time of change-over employment.)

LETTER OF UNDERSTANDING

In the application of Article Nine, Section 4, Equalization of Overtime, in the Company Union Agreement, if an employee is offered overtime work by telephone or messenger he must be contacted personally to make the offer effective. If the employee is not contacted personally at that time, it shall be considered that he was unavailable for that offer of overtime work.

The Union agrees in those instances where the Company is having problems on overtime days of getting desired productivity and quality in certain troubled areas, that during the normal work week, the groups in question are manned predominately by probationary employees; the Union in good faith bargaining will meet with the Company for the purpose of resolving the problems; which could mean probationary employees would be considered as being included under the coverage in group scheduling as set out in Article Nine, Section 4(a).

The intent of all contractual provisions contained within Article Nine Section 4 is to ensure proper equalization and to attain an acceptable overtime spread.

SECTION 5 - MAINTENANCE OF WORK WEEK

A. PRODUCTION. In the event it becomes necessary to reduce production, the work week shall be maintained in the following manner:

- (1) In order to maintain forty (40) hours per week, all probationary employees will be laid off first.
- (2) If the above does not sufficiently reduce the working force to maintain forty (40) hours per week for all employees, then sufficient seniority employees will be laid off to maintain forty (40) hours per week except that maintenance and tool-room employees will not be laid off unless the reduction is in their occupation.
- (3) (a) In the event the management determines that it is necessary to work any department, line or production group in excess of a

scheduled forty (40) hours per week to cover the production schedule, sufficient employees shall have been employed on each shift to man the line to full capacity. A line or group will also be considered as having been manned to full capacity when all available employees having the occupation or occupations involved have work assignments within their occupations.

- (b) Daily or weekly overtime may be scheduled when groups are not manned to capacity as per Article Nine, Section 5 (3) (a) only to regain loss of production as per the manning of the group on Monday of the week in question. Overtime under this subsection must be scheduled daily or weekly and will not be continued beyond a two- (2) week period. The scheduling of overtime under this subsection may be allowed only for a shortage of material in the line, machine breakdown, tool trouble, absenteeism, time lost due to instruction, or power interruptions causing such loss of production.
- (c) Whenever overtime is scheduled or permitted by the provisions of this subsection the steward and the committeemen of the zone involved will be notified as soon as possible but in any event prior to the commencement of such overtime work. If any overtime scheduled and worked under this subsection is excessive and thus in violation of the terms of this subsection, then the employee or employees who are reduced out of the occupation or occupations affected will be compensated for the actual hours such employee or employees lost as the result of the improper overtime work assign-

ment and their overtime records will be marked accordingly.

When overtime is necessary because of production difficulties caused by model or method changes or reasons of an unusual nature, then the manager of manufacturing and the committeemen and the steward of the zone in question may discuss the matter for the purpose of determining if the overtime should be worked. If no agreement is reached, then the subject will be discussed between the negotiating committee and the manager of manufacturing and the Manager Human Resources in an effort to resolve the differences between the parties regarding the subject matter in question. It is understood that no overtime may be worked under subsection (3)© without the mutual agreement of the parties.

B. NONPRODUCTION. In the event it becomes necessary to reduce non-production, the work week shall be maintained in the following manner.

- (1) In order to maintain forty (40) hours per week, all probationary employees will be laid off first.
- (2) If the above does not sufficiently reduce the working force to maintain forty (40) hours per week for all employees, then sufficient seniority employees will be laid off to maintain forty (40) hours per week except that maintenance and tool-room employees will not be laid off unless the reduction is in their occupation.
- (3)(a) In the event the management determines that it is necessary to work any non-produc-

tion department or non-production occupation in excess of a scheduled forty (40) hours per week to cover the production schedule as specified under the provisions of subsection A of this section or for any other reason, sufficient employees shall have been employed on each shift to man the non-production job or non-production jobs in question on a three-(3) shift basis. A non-production job or non-production jobs will also be considered as having been manned to full capacity when all available employees having the occupation or occupations involved have work assignments within their occupations.

(b) Daily or weekly overtime may be scheduled when non-production jobs or non-production occupations are not manned to capacity as specified under the terms of Article Nine, Section 5B (1) or to (primarily) support production as provided by the terms of Article Nine, Section 5A (3) (a), (b) or (c) of this section in accordance with the following guidelines:

1. To make up for a loss of work time resulting from absenteeism or instruction time.
2. To primarily support production. Primarily support production means the provision of sufficient work to comprise a full work day.
3. Overtime under this subsection must be scheduled daily or weekly and will not be continued beyond a two-(2) week period.

Whenever overtime is scheduled or permitted by the provisions of this subsection the steward and the committeemen of the zone involved will be notified as soon as possible but in any event prior to the commencement of such overtime work. If

any overtime scheduled and worked under this subsection is excessive and thus in violation of the terms of this subsection, then the employee or employees who are reduced out of the occupation or occupations affected will be compensated for the actual hours such employee or employees lost as the result of the improper overtime work assignment and their overtime records will be marked accordingly.

(c) When overtime is necessary for non-production jobs or non-production occupations because of production difficulties caused by model or method changes or reasons of an unusual nature, then the manager of manufacturing and the committeemen and steward of the zone in question may discuss the matter for the purpose of determining if the overtime should be worked. If no agreement is reached, then the subject will be discussed between the negotiating committee and the manager of manufacturing and the Manager, Human Resources in an effort to resolve the differences between the parties regarding the subject matter in question. It is understood that no overtime may be worked without the mutual agreement of the parties.

LETTER OF INTENT

In the 1980 Contract Negotiations, the Company expressed fears that in those instances where emergency demands require overtime, the Union might use this situation to better the Union's position on other problems. This letter is to assure the Company that the Union hasn't any such intentions and that each request from the Company to work overtime due to the emergency customer demand will be appraised on its own merits, and no other Union-Company disagreement will be considered by the Union.

Any overtime worked under the above paragraph must be mutually agreed to between the Union and Diversified Transmission Products (Muncie Plant)

During the 2000-2001 negotiations, the parties agreed to establish a form to be utilized to ensure the proper administration of Article Nine, Section 5. This form must be filled out before any provisions of Article Nine, Section 5 are administered. The intent of this form is to ensure proper administration of this Article and Section. It is not intended to otherwise alter either party's rights under Article Nine, Section 5.

SECTION 6 - REDUCTION OF WORK WEEK

- (a) When it becomes necessary to reduce the work week below a scheduled forty (40) hours for any period of time due to reasons beyond the control of management, the work week may be reduced below forty (40) hours by mutual agreement in writing between the Company and the negotiating committee.

This provision shall not apply to weeks in which a holiday falls or to the taking of the annual inventory, but in such instances the Company will notify the negotiating committee as far in advance as possible. A reduction of the work week for a week in which a holiday falls will be limited to the day preceding or the day following the holiday for the purpose of avoiding a one-(1) day operation.

- (b) No skilled trades or EEOU employees shall be required to work in excess of forty (40) hours per week when there are seniority employees in these occupations laid off except this does not apply to regularly scheduled trick work, work required due to emergency situations and work scheduled primarily for the purpose of providing support for manufacturing operations on overtime per-

mitted by the provisions of Article Nine, Section 5 A and B. In each case the proper skilled trades or EEOU representative will first be notified. Any other overtime under this section will only be worked by mutual agreement of the manager of manufacturing and the skilled trades or EEOU committeeman of the zone involved.

SECTION 7 - EMPLOYEES SENT HOME

Employees will not be sent home during the work week to avoid payment of overtime but may be sent home on account of causes beyond the Company's control, without violating this Agreement.

SECTION 8 - REPORTING PAY

A minimum of two (2) hours' pay at current rate of the employees pay will be paid to any employee or employees who come to work and are sent home because of lack of work, unless such employees have been notified prior to reporting for work by their supervisor, or by notice posted on bulletin boards, or telephone, or messenger, or certified letter (return receipt requested) at the address appearing on employment record not to report for work.

It is understood that in each instance that an employee who, as the result of this section, receives reporting pay, will be required to perform two (2) hours' work as assigned by the Company.

Reporting pay will only be paid when the employee is actually sent home during or at the end of the two-(2) hour period. Employees who are assigned to work during or after the two-(2) hour period under the provisions of the temporary layoff language (Article Five, Section 5) will be paid their regular rate of pay up to a maximum of 2 hours, whether assigned or sent home.

This provision does not apply to employees reporting for work following a layoff. Employees affected by a

reduction in the working force will be notified what day they are to report to work.

SECTION 9 - CALL-IN PAY

If an employee is called in to work before or after having worked his regular shift, he shall be furnished with four (4) hours' work.

SECTION 10 - SHIFT SCHEDULES

The following shift schedules shall be continued in effect until changed or discontinued by mutual agreement between the Company and the negotiating committee:

First Shift 11:30 p.m.-7:30 a.m.
EEOU - 12 midnight to 8:00 a.m.

Second Shift 7:30 a.m.-3:30 p.m.
EEOU - 8:00 a.m. to 4:00 p.m.

Third Shift 3:30 p.m.-11:30 p.m.
EEOU - 4:00 p.m. to 12 midnight

SECTION 11 - LUNCH PERIODS AND WASH-UP

A twenty-(20) minute lunch period with pay shall be allowed and may be staggered within the departments subject to determination by the supervisor and manager of manufacturing. Employees will be permitted to wash up during a five-(5) minute period immediately before their lunch time and during a five-(5) minute period before the close of their shift each day.

LETTER OF UNDERSTANDING

In the 1982 negotiations, the Company expressed its belief that to be competitive and successful in the worldwide automotive market, utilization of the full workday must be practiced by all

employees of Borg-Warner Automotive, Diversified Transmission Products Corporation, Muncie Plant. The Union agrees it will encourage its members toward full workday philosophy.

SECTION 12 - JURY DUTY PAY

Any employee with seniority who is called to and reports for jury duty shall be paid by the Company for each day partially or wholly spent in performing jury duty, if the employee otherwise would have been scheduled to work for the Company and does not work an amount equal to the difference between the daily jury duty fee paid by the court (not including travel allowances or reimbursement of expenses) and eight (8) hours' pay at the regular straight time hourly rate (including applicable cost-of-living allowance and excluding premiums) for all employees.

In order to receive payment under this Section, an employee must give the Company prior notice that he has been summoned for jury duty and must furnish satisfactory evidence that jury duty was performed on the days for which he claims such payment. The provisions of this Section are not applicable to an employee who, without being summoned, volunteers for jury duty. Such employee, when he is receiving pay from the Company for jury duty, shall be entitled to receive holiday compensation for any holiday falling within the period that he is receiving such jury duty pay.

It is agreed between the Company and the Union that Article Nine, Section 12 (Jury Duty Pay) of the Company/Union Agreement, will be modified to include payment for pre-jury examinations as required by the court, under the following conditions:

1. If the time involved is during the employee's off-shift time, and the amount of time spent in pre-jury duty examination is three (3) hours or more, the employee will be eligible for jury duty pay on

the same basis as if he had actually performed jury duty during that time.

2. If the time involved is during the employee's regular shift time, and the amount of time spent in pre-jury examination is two (2) hours or more, the employee will be eligible for jury duty pay on the same basis as if he had actually performed jury duty during that time.
3. It is understood that there may be special cases which do not meet these criteria but which should receive consideration. Such cases will be handled on an individual basis.

Employees who are subpoenaed as a witness may want to make use of the temporary shift change available under Article Five, Section 10, of this contract.

SECTION 13 - BEREAVEMENT PAY

- (a) When death occurs in an employee's immediate family, i.e. spouse, parent, (or other individual who may have acted as a parent in raising the employee), parent of a current spouse, child, brother, sister, grandchild, grandparent, grandparent of a current spouse, son-in-law, or daughter-in-law, brother-in-law, or sister-in-law including, where applicable, step or half relations of such person, the employee, on request will be excused from work for three (3) **consecutive** normally scheduled working days, **including the day of the funeral** (excluding Saturdays, Sundays, and the holidays listed in Section 3 of this Article) provided he attends the funeral.

When death occurs to an employee's or spouse's Aunt or Uncle including, where applicable, step or half relations of such persons, the employee, on request will be excused from work for the date of the funeral without pay (excluding Saturdays,

Sundays, and the holidays listed in Section 3 of this Article) provided that the employee attends the funeral.

- (b) An employee who has been excused from work under this Section shall, after making written application therefor, receive pay for any scheduled days of work for which he was excused provided he attends the funeral.

SECTION 14 - SHORT-TERM MILITARY DUTY PAY

An employee with seniority who is called to and performs short-term active duty of thirty (30) days or less, including annual active duty for training, as a member of the United States Armed Forces Reserve or National Guard shall be paid by the Company for each day partially or wholly spent in performing such duty, if the employee otherwise would have been scheduled to work for the Company and does not work, an amount equal to the difference, if any, between (i) the employee's regular straight time hourly rate on the last day worked and (ii) his daily military earnings (including all allowances except for rations, subsistence and travel). The Company's obligation to pay an employee for performance of military duty under this Section is limited to a maximum of ten (10) scheduled working days in any calendar year. In order to receive payment under this Section an employee must give the Company prior notice of such military duty and upon his return to work must furnish the Company with a statement of his military pay while on such duty.

ARTICLE TEN VACATION PLAN

SECTION 1-ELIGIBILITY AND BONUS

Seniority employees in the bargaining unit with the years of continuous seniority on March 31st of each

year as set out in the following schedule shall be entitled to a vacation and vacation bonus as indicated in the schedule:

SENIORITY	VACATION	VACATION BONUS
1 year but less than 3	1 week	2%
3 years but less than 5 years	2 weeks	3%
5 years but less than 10 years	2 weeks	4%
10 years but less than 15 years	3 weeks	5%
15 years but less than 20 years	3 weeks	6%
20 years or more	4 weeks	7%

The vacation bonus shall be computed on the basis of the employee's entire annual earnings from April 1st of the previous year to and including March 31st of the year in which said vacation bonus is to be paid, including the year-end bonus and the vacation bonus, but excluding overtime premium, holiday pay, and profit sharing bonus.

SECTION 2-PAYMENT OF BONUS

Such bonus shall be paid by the Company to each employee on the first Friday in May of each year with the exception of the employees that had been laid off and delayed payment on the date the bonus is to be paid. The laid off employees are entitled to request a delayed payment up to ninety (90) days after the first Friday in May. All delays in payment must be requested in writing to the Company on or before Tuesday of the week before the week in which the bonus is to be paid.

If an employee notifies the Company in writing two weeks prior to the first Friday in May 1999 and thereafter, the vacation bonus may be paid to the employee as the employee takes the vacation provided it is taken in one week increments. The Company will calculate the bonus as before and pay it to the employee on a pro-rated weekly basis if requested two weeks prior to vacation usage. Any remainder of

vacation bonus not paid out during the year ending March 31 will be paid as a bonus on the first Friday in May.

The parties will evaluate new payroll/HR systems ability to pay vacation a day at a time.

SECTION 3-MILITARY SERVICE AND PEACE CORPS

Any employee who enters military service or the Peace Corps, having attained seniority prior to March 31st of each year and who has not lost his seniority for any cause, shall be paid any vacation bonus to which he may be entitled, at the time of his entry into military service or the Peace Corps. In the event such employee leaves the military service or the Peace Corps before the end of the vacation bonus year and returns to work, he will be paid any additional bonus to which he may be entitled based on additional earnings in that year.

SECTION 4-DECEASED EMPLOYEES

Any bonus earned by an employee, who is deceased at the time of figuring bonus, shall be paid to his widow or dependents and the determination of who is to receive the payment shall be made by the Company and such decision shall be final and conclusive.

SECTION 5-RETIRED EMPLOYEES

Any bonus earned by an employee who retires under the Company-Union pension plan shall be paid by the Company to such employee.

SECTION 6-TIME FOR TAKING VACATIONS

The vacation year shall be from April 1 to March 31 of the succeeding year. If an employee decides to take a vacation, arrangements shall be made between supervisor, steward and employee. This should be

done sufficiently in advance to enable proper arrangements for operation of group or department. Vacation time off should thus be scheduled and posted on a chart in the office of the supervisor so that both supervisors and employees may know the vacation dates that have been scheduled.

All bargaining unit employees will be allowed to take vacations upon request for one (1) hour increments, daily, or weekly up to the full accumulated vacation. Approval of supervisor must take place. Supervisors cannot give vacation to cover absenteeism or tardiness after the fact.

Vacation request form-MD1015/5-84 should be filled out, with copies to the supervisor, the steward, and the employee, in order to avoid future misunderstandings.

During the recent negotiations the Company expressed concern with regard to those situations where an excessive number of employees of certain occupations or departments schedule their vacations for the same given time period. It is understood that this problem is normally confined to those weeks when vacations are scheduled in conjunction with holiday periods and to certain limited occupations, particularly those involving the skilled trades.

It is agreed between the parties that the provisions of Article Ten, Section 6, of the Labor Agreement as such apply to the scheduling of vacations sufficiently in advance to enable proper arrangements for the operation of the group or department will mean under normal conditions to be at least two (2) weeks' prior notice. The exception would be a documented emergency situation. It is understood that in those instances where such prior notice is not necessary for the proper operation of the group or department such notice will not be required.

It is further agreed that in those instances where the number of employees requesting vacation time for a given time period is excessive percentage-wise for

certain occupations or departments and therefore would have an adverse effect on the efficient operation of the plants, the parties will meet to discuss the issues involved in a good faith effort to resolve such issues to provide for the proper operation of the plant facilities.

MEMORANDUM OF UNDERSTANDING

ACCUMULATED VACATION. It is agreed between the Company and the Union that an employee who has three (3) years of seniority (this is not retroactive), may, if he so desires, elect to defer any vacation time for which he is eligible under the provisions of Article Ten, Section 1, of the Labor Agreement in a given year, up to a maximum of fifty-two and one-half (52½) work days total to permit him to take an extended period of earned time off in line with what he has accumulated. The minimum amount of accrued vacation which must be taken at one time is five (5) days.

Effective 9/7/89, an employee will be permitted to accumulate vacation time over the period of his seniority. No accumulated vacation time will be reduced from the employees total eligible time unless used by the employee. In any given year, an employee could use up to a maximum of 52 1/2 days of accumulated vacation plus his current vacation time for a total not to exceed 67 ½ days in a vacation year.

Employees eligible for accumulative vacation under the 1986 contract would still be eligible to use those days through the duration of this Agreement.

It is understood that the length of an employee's extended vacation or earned time off the job will be based on an evaluation of such employee's attendance card for the previous two (2) years.

Although no special action of notification is required by an employee who wishes to take an extended vacation or earned time off the job, it is also understood that in the application of this provision if the number of employees involved in such an extended vacation leave is such that adverse conditions on plant operations would result or if the number involved would result in the undue dilution of certain skills then the Company reserves the right to schedule such extended vacation leaves accordingly. It is further agreed that the right to accumulate vacation time is limited to time off the job and the vacation bonus stipulated by the provisions of Article Ten, Section 1, including the payment of such bonus in accordance with the provisions of Article Ten, Section 2, will continue to be made on an annual basis to qualified employees as specified by the Labor Agreement.

Reference to Article Six, Section 1, all accumulated vacation must be taken before a leave of absence is granted.

MEMORANDUM OF UNDERSTANDING NEW EMPLOYEES-ARTICLE TEN, SECTION 1

It is agreed between the parties that the provisions of Article Ten, Section 1, of the Collective Bargaining Agreement will be amended with regard to the eligibility for vacation time only as such apply to "new" employees as follows:

Employees will be eligible for and permitted to take one (1) week of vacation after having completed (1) year's seniority under the provisions of Article Five, Section 1 (Acquisition of Seniority) of the Labor Agreement.

It is understood between the parties that no other provisions of Article Ten (Vacation Plan) are to

be changed in any manner as the result of this agreement.

It is further agreed between the parties that if as the result of this agreement, the number of employees requesting a vacation for any given week or weeks is excessive percentage-wise for certain occupations or departments and therefore would have an adverse effect on the efficient operation of the plants, the parties will discuss the issues involved in a good faith effort to resolve such issues to provide for the proper operations of the plant facilities.

LETTER OF UNDERSTANDING

The Company will notify the members of Local 287 by letter each year not later than ten (10) days nor earlier than twenty (20) days prior to the payment of the vacation bonus of the terms of Article Ten, Section 2.

The 1973/1974 employees who were laid off and subsequently terminated solely because of the change in language from five (5) years to three (3) years in Article Five, Section 14E of the 1977 Bargaining Agreement, and who were again hired in 1978, regaining seniority, and are now listed as Borg-Warner Automotive, Diversified Transmission Products Corporation, Muncie Plant employees, will have their service time credited with the elapsed time due to such termination for the base period in developing the vacation bonus under Article Ten of the Collective Bargaining Agreement.

ARTICLE ELEVEN YEAR-END BONUS

SECTION 1-ELIGIBILITY AND PAYMENT

Each employee who has more than one year's continuous seniority on October 1 of each year shall be enti-

tled to a year-end bonus equal to two percent (2%) of the entire annual earnings paid to such employee, overtime premium, holiday compensation for time not worked, and profit sharing bonus excluded, computed on his earnings for the 52 pay periods immediately preceding October 14 of each year. The year-end bonus is to be paid on the third Friday of November of each year.

New employees hired after January 1, 2001, will be required to have more than five (5) years continuous seniority on October 1 of each year to be eligible for this benefit.

SECTION 2-MILITARY SERVICE AND PEACE CORPS

Any employee who enters military service or the Peace Corps, having gained seniority prior to October 1 of each year and who has not lost his seniority for any cause, shall be paid any year-end bonus to which he may be entitled at the time of his entering into military service or the Peace Corps. In the event such employee leaves military service or the Peace Corps before the end of the bonus year and returns to work, he will be paid any additional year-end bonus to which he may be entitled based on additional earnings in that year.

SECTION 3-DECEASED EMPLOYEES

Any year-end bonus earned by an employee who is deceased at the time of figuring bonus, shall be paid to his widow or dependents and the determination of who is to receive the payment shall be made by the Company and such decision shall be final and conclusive.

SECTION 4-RETIRED EMPLOYEES

Any year-end bonus earned by an employee who retires under the Company-Union pension plan shall be paid by the Company to such employee.

ARTICLE TWELVE WORKING CONDITIONS

SECTION 1-REST AND RECREATION ROOMS

The Company will provide and maintain adequate rest and recreation rooms and toilet facilities. Weekly inspections to be made by department supervisor and stewards, but the maintenance of sanitary conditions therein shall be the mutual obligation of all employees and the Company. The Company will investigate the cost and need for additional rest-rooms. The Company will follow all OSHA requirements regarding rest-rooms.

SECTION 2-PHYSICAL EXAMINATIONS

Employees returning to work after being laid off, employees who have been on leave of absence, and employees who have had a surgical operation or who have been on sick leave shall be examined by the Company physician before returning to work. Employees who have been absent more than five (5) work days due to any illness may be required by the Company to be examined by the Company physician before returning to work.

No one other than the Company physician and the employee will be allowed in the examining room when an employee is being examined except at the request of the Company physician. The employee may have a member of the immediate family present if he/she so chooses.

Any employee who is required to be examined by the Company physician and who has been under the care of another doctor must bring a release from that doctor. The intent of such physical examination is to prevent the return to work of employees whose physical fitness is questionable but shall not be used as a cor-

rective measure for absenteeism. In the event the employee's physician and the Company doctor disagree as to the employee's physical fitness to return to work, those two shall, as soon as possible, call on a third physician to join them in reaching a final determination on the question. In addition, the Company may require physical or mental examinations any time by the Company doctor or a doctor designated by the Company of employees at work whose physical and/or emotional status is questionable. The intent of such examination is to protect the health of the employee himself or that of fellow employees. Such physical and/or mental examinations will not be used to wrongfully deprive any employee of employment. Any misapplication of this section shall be subject to the Grievance Procedure.

Employees who are directed by the first aid nurse to go to the Company doctor, or are referred to an outside doctor by the Company doctor for initial treatment of an injury or illness arising out of and in the course of their employment with the Company, will be paid the regular hourly rate for any resultant loss of working time.

SECTION 3-SAFETY CONDITIONS

The Company agrees to maintain sanitary, safe and healthful working conditions in the plant; to equip all hazardous machinery with effective safety devices; to maintain precautions against exposure to occupational diseases and poisoning and to furnish without cost to the employees whatever protective equipment and special clothing may be needed by them for the safe and healthful performance of their jobs. The Company will furnish six (6) sets of outdoor clothing, consisting of hats, gloves, boots and coveralls, for the use of outside laborers. An additional supply of 10 outfits for outside work will be supplied and stored in

the E-30 crib in addition to the supply currently in the E-30 crib.

The Company will furnish gloves on all jobs where necessary and not prohibited by insurance or safety regulations. On operations where gloves are requested, such operations shall be reviewed by the plant committeemen, supervisor and Safety Director and it shall be determined at the review if gloves are necessary for such operation.

In order to better implement the Company's eye protection program in the plant, the Company will provide prescription safety glasses to any permanent full-time employee, provided the same employee furnishes a prescription from his own doctor or optometrist. The Company will replace such glasses no more often than once each year provided the employee presents a new and different prescription from his doctor or optometrist. In addition, the Company will replace such glasses if damaged due to his job provided the employee presents the Company with an up-to-date prescription, but the Company will not replace the glasses if they become damaged through carelessness or are lost. The Company will establish the standards and specifications for the frames and will select the manufacturing source.

MEMORANDUM OF UNDERSTANDING STATE HEALTH REPRESENTATIVES

It is agreed between the parties that whenever either party requests a factory or health representative of the Department of Labor of the State of Indiana to visit the Company's plants, such party will promptly notify the other party to this Agreement of such request, the reason for the same, and the date when such representative will visit the plant and two (2) Union representatives shall be permitted to accompany him and Company representatives while he is in the plant.

LETTER OF UNDERSTANDING JOB ASSIGNMENTS-SAFETY AND HEALTH CONDITIONS

It is agreed that in those situations involving work stoppages, etc., where the employee contends that the job assignment is unsafe or could be injurious to his health, the condition will be immediately discussed between the employee, the employee's steward and the department supervisor.

If the issue cannot be resolved, it will then be discussed between the supervisor in the department and the two committeemen of the plant in question. Failing to resolve the issue at this point, the employee will be reassigned according to the temporary layoff provisions of the contract. A safety and health condition for the purposes of this agreement is defined as a condition which is of an immediate and unusual nature.

It is understood between the parties that in the application of this Letter of Understanding, the Chief Steward on the 3:30 and 11:30 shifts will act in lieu of the plant committeemen in working with supervision to resolve safety questions.

In the event there is a machine that the Union feels is unsafe and should not be operated by an employee, then the issue should be resolved by consultation with the Manager of Health and Safety. If the issue cannot be resolved, the problem will be taken to the Director of Human Resources and Chairman of the Bargaining Committee or designee, and their decision will be final.

The company and union will continue their efforts to fully comply with all OSHA regulations and safety training programs (i.e. lock out tag out, confined space entry). All permit required confined spaces will be clearly marked. All non-permit confined spaces that

can reasonably be identified will be clearly marked. This will alert employees as to the potentially dangerous areas and their rights as to prevention.

SECTION 4-STANDARD TIME

The Company agrees to operate all plants on eastern standard time for the duration of the Agreement unless the time is changed by city ordinance, state or federal law.

SECTION 5-PAY ADVANCES

The Company agrees to allow advances to employees on pay earned, upon returning to work after having been laid off. The Company will use discretion regarding pay advances on pay earned under special circumstances.

SECTION 6-EQUAL EMPLOYMENT RIGHTS

In the administration and application of this Agreement neither the Company nor the Union shall discriminate against any employee because of the individual's age, race, color, religion, sex, national origin, veteran status or disability.

The Company, in an effort to further the principles of equal employment opportunity, shall continue to implement appropriate affirmative action programs to comply with federal and state laws and regulations.

SECTION 7-TOOLS AND EQUIPMENT

Employees shall be responsible for the return of all tools and equipment checked out of the tool crib but shall not be required to pay for broken or damaged tools returned.

LETTER OF UNDERSTANDING

Metric Tools-The Company agrees to make available during the transition period necessary metric tools required by employees in the per-

formance of their work. Such tools will be available in the tool cribs and charged out to employees when they have need for them.

This does not preclude the use of conversion tables or other alternate means of changing to a metric system and does not alter present requirements with regard to employees providing their own tools.

With regard to production tools, the Company will provide those metric tools which it now provides as normal tools for production work. Those hand tools or measuring instruments now provided by production employees should continue to be provided in the same manner after a reasonable time period for phasing in metric tools.

SECTION 8-PLACEMENT OF DISABLED EMPLOYEES

Seniority employees who by reason of advanced age or physical disability are unable to handle their regularly assigned tasks to advantage and who are not eligible for retirement because of permanent and total disability, shall be assigned by the Employment Office to available jobs that they are capable of performing efficiently at the normal job output, giving consideration to the disability.

The term "available" as used in this connection contemplates not merely the filling of a presently unfilled position, but further contemplates the transfer from such work of the person then doing the job provided such person is junior in length of service with the Company to such physically disabled employee. If jobs meeting the above specifications are not available, then jobs may be created for such employees upon mutual agreement between the Company and the Negotiating Committee.

If for any reason a disabled employee is required to be moved from a job and no suitable vacancy is available

at that time, such disabled employee shall replace the youngest disabled employee on any job that he is capable of performing. The intent of this is that no disabled employee will be laid off if there is a job he can perform being performed by a younger employee.

Disabled employees will be placed by the employment office on available jobs within their disability and may be placed in either the production or non-production departments depending on the restrictions presented to the company physician.

Disabled employees working in the skilled trades or EEOU will be placed within their classification on jobs they are capable of performing. If suitable work is not available, the Company will attempt to create a job in the classification for the disabled worker.

Before such assignments can be made, the employee must furnish to the Employment Department a medical report including the nature and limitations of his disability after which he shall be examined by the Company doctor. Each thirty (30) days after the disability assignment the employee may be required to furnish a doctor's report as to the current status of the disability. All employees transferred under this Section shall be transferred with full seniority rights for the duration of their disability. When the disability is cleared, the employee shall be reassigned to his former occupation. All employees transferred under this Section shall be entitled to preference of shift and overtime opportunity only on the work to which they have been assigned.

All transfers made under this Section shall be reviewed every ninety (90) days by the Company and the negotiating committee, and in the event it is determined that the transfer shall be of a permanent nature, the affected employee's record shall be marked accordingly.

In order to avoid the loss of work time, employees may be placed on temporary jobs for a maximum of three (3) days, prior to an appropriate disability assignment.

Both the supervisor and the appropriate union officials are to be notified of this temporary placement. A notice will be sent by the employment office.

SECTION 9-EMPLOYEE RECORD

When new employees are hired or an employee is transferred from one department to another, the supervisor of the department to which the employee is assigned shall immediately furnish the steward of that department or zone the following information: seniority date of the employees, department from which they were transferred, and the occupation to which the employees are being assigned. The steward of the department from which employees are being transferred shall be given the names of such employees.

SECTION 10-TOOL WORK

No tool room work, machine repair work, or cutter grinding work shall be put out to tool shops, nor shall any experimental engineering occupational unit work be put out to any outside concern by the Company if the seniority list in the occupation affected is unexhausted, except in the case of rush experimental orders or to meet customers' emergency requirements which could not otherwise be met, and in such case before any work is let out, Company agrees to meet with skilled trades committeeman, steward involved, and chairman of the negotiating committee for the purpose of appraising such work before a job is contracted to justify their position.

(See Skilled Trades Letters and Memorandums, Pages 154 & 179).

SECTION 11-BULLETIN BOARDS

The Company will provide a bulletin board and/or electronic posting in each department of the plant for posting notices. Notices of all regular and special meetings, recreational and social events, notices of elections and results of elections of the Union may be posted on these boards. No employees will distribute

any written or printed notices, cards, pamphlets or literature of any kind in or upon the Company's property without consent of the management.

SECTION 12-SMOKING PRIVILEGES

Smoking privileges will be allowed in the plant subject to Company rules and regulations. During the 2000/2001 negotiations the Company expressed its intent not to modifying the language of Article Twelve- Section 12. However, changes in government regulations, laws, and ordinances may require the Company to alter the rules and regulations that restrict smoking on the premises.

SECTION 13-INDEPENDENT CONTRACTS FOR WORK

The Company shall have the right at any time to enter into a contract or contracts with any person, firm or corporation for plant repairs, changes, improvement, or major maintenance, or for the installation, removal, repair, or changes of machinery and equipment, provided that either the Company does not have the necessary equipment available in the plant to perform such work in an efficient manner or that no seniority employees in the skilled trades occupations affected are laid off. Under all circumstances the Company agrees to meet with the skilled trades committeeman, steward involved, and the chairman of the negotiating committee for the purpose of appraising such work before a job is contracted to justify their position.

The provisions of Article Twelve, Section 13, do not apply to work involved in the construction of new buildings, structural changes or structural additions to existing buildings, but bargaining unit employees may be used by the Company for any or all of such work at the option of the Company. It is expressly agreed that the time limit for submission to the arbitrator of grievances arising under this section shall be thirty (30) days after notice is given of desire to present the grievance to arbitration, and the award on such

a grievance will be made within fifteen (15) days from the date of the arbitration hearing. It is understood that these limits may be extended by mutual consent.

(See Skilled Trades Letters and Memorandums of Understanding, Pages 154 & 179)

SECTION 14-RULES AND REGULATIONS

The Company shall have the right at any time to adopt, put into effect and post reasonable rules and regulations not in conflict with this Agreement, for the conduct of its plants and manufacturing operations, and all persons employed under the terms of this Agreement shall be subject to such rules and regulations; provided, however, that questions as to whether or not a rule is reasonable in itself or in its application, or whether it is in conflict with any of the terms of this Agreement may be subject to the Grievance Procedure established herein.

The Company agrees to notify the chairman of the Negotiating Committee 7 days prior to the publishing of any new rule or regulation. If the Chairman is not notified, the rule is null and void, until such notification is made.

SECTION 15-SUPERVISORY EMPLOYEES

Supervisory employees, foremen and assistant foremen shall not be permitted to perform the work of any production or non-production employee except in the following situations:

- (a) In the instruction or training of employees;
- (b) In the performance of necessary work when production difficulties are encountered which cannot be straightened out by the lead person, or the employees on the job.

It is the intent of the Company that supervisors should not displace bargaining unit employees and should confine such activities to those listed in the contract.

In addition, it is the intent of the Company that other

employees such as engineers, co-ops and temporary employees not do bargaining unit work.

ARTICLE THIRTEEN MANAGEMENT

SECTION 1-MANAGEMENT PREROGATIVES

The right to hire, promote, discharge or discipline for cause, and to maintain discipline and efficiency of employees, is the responsibility solely of the Company except that the Union members shall not be discriminated against as such. The foregoing provisions are subject to the terms of this Agreement. In addition, the products to be manufactured, the location of plants, the schedules of production, the methods, processes and means of manufacturing are solely and exclusively the responsibility of the Company.

SECTION 2-COMPANY/UNION JOINT PANEL

There shall be established a panel of four (4) top Management personnel and four (4) Union leadership for the purpose of policing such items as scrap, quality, productivity, and other items that could jeopardize the existence of Borg-Warner Automotive, Diversified Transmission Products Corporation Muncie Plant.

The panel shall meet as mutually determined and shall have the authority to recommend corrective action involving whosoever is responsible for allowing such items to get out of control.

The findings of this panel including recommended corrective action shall be reported to the Vice President, Operations of Borg-Warner Automotive, Diversified Transmission Products Corporation, Muncie Plant and subsequently posted on Company bulletin boards.

ARTICLE FOURTEEN STOPPAGE OF WORK

SECTION 1-STRIKES AND LOCKOUT

The Union will not cause or permit its members to cause, nor will any member of the Union take part in any strike, either sit-down, slow-down, stay-in, or any other kind of strike or stoppage of work or other interference with any of the Company's operations until every reasonable effort has been made for the settlement of complaints and grievances under the procedure provided for by this Agreement. Any violation of this provision shall be brought to the attention of the Union representatives by the Company. The Union representatives shall be obligated to make every reasonable effort to curb or stop any such violation. Any interference with the Company's operations, as described above, before every reasonable effort for settlement has been made on any grievance not subject to arbitration, shall be deemed a violation of this Section. Any employee involved in any violation of this Section shall be subject to disciplinary action. The Company agrees that there shall be no lockout of its employees during the term of this Agreement. In addition to the above, when another outside union is on strike and may have a picket line in front of BWA-DTPC, Muncie Plant, the Union agreed they will not request or encourage its members to participate in a sympathy strike.

SECTION 2 - DUTY TO COOPERATE

It shall be the duty of the Company and the Union and its members to cooperate with each other in strict observance of the provisions of this Agreement to the end that the mutual interest of the parties hereto may be protected and harmony and cooperation maintained at all times.

ARTICLE FIFTEEN SCOPE OF THE AGREEMENT

The Agreement supersedes all prior verbal and written agreements between the parties and no waiver or

subsequent modification of any of the terms and conditions of this Agreement shall be valid unless in writing duly signed by the Company and the Union and ratified by the membership of local No. 287, UAW, with such ratification certified in writing by the appropriate Union officials. Any proposal or counter-proposal presented and discussed during any conference or meeting between representatives of the Company and the Union shall not be effective unless agreed upon and signed by the Company and the Union and the same will be considered withdrawn if not so accepted and signed.

ARTICLE SIXTEEN DURATION OF AGREEMENT

SECTION 1-DURATION

This agreement shall remain in full force and effect until March 12, 2006 and thereafter from year to year, unless either party shall give notice in writing at least sixty (60) days in advance of March 12, 2006, or any anniversary thereafter of its desire to terminate the Agreement.

SECTION 2-MODIFICATION

If either party desires to modify the terms of this Agreement it shall notify the other party in writing, at least sixty (60) days prior to March 12, 2006 or sixty (60) days prior to any anniversary thereafter, setting forth the provisions to be modified.

These modifications or proposed changes as set out in the notice given by either party, or both, will be the only subjects for discussion during the negotiations and when modifications are agreed upon the modified contract will continue in full force for the ensuing year and thereafter unless further modified or terminated on an anniversary date.

It is mutually agreed between the parties hereto that, if after giving of the sixty- (60) day notice to modify the contract and no agreement is reached by the anniversary date of the contract, the Union shall have

the right to strike to obtain said modifications and any such strike will not be considered a breach of any of the other terms or conditions of said contract.

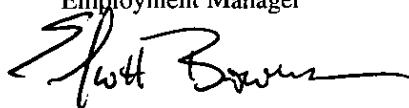
This Agreement is executed at Muncie, Indiana this 4th day of May, 2001

BORG-WARNER AUTOMOTIVE, DIVERSIFIED TRANSMISSION PRODUCTS CORPORATION (MUNCIE PLANT)

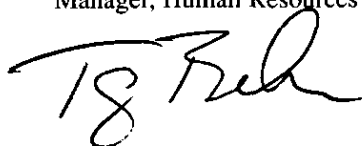
By



Lou Goss
Employment Manager



E. Scott Bowers
Manager, Human Resources



Tony Behrman
Director, Human Resources

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICAN (UAW)

By



Terry Thurman
Regional Director

Mike Ailes

Mike Ailes
International Representative

LOCAL 287 (UAW)

By

Harry W. Logan

Harry W. Logan

President

LaRue Cross

LaRue Cross

Chairman, Negotiating Committee

Jerry E. French

Jerry French

Vice Chairman, Negotiating Committee

Todd Gardner

Todd Gardner

Recording Secretary

Keith Davis

Keith Davis

Sam Drago

Sam Drago

Frank Edwards

Frank Edwards

Jeff Fallis

Jeff Fallis

David B. Wright

David Wright

Members, Negotiating Committee

SCHEDULE I OCCUPATIONAL UNITS

PRODUCTION

1. Owner Operator

NON-PRODUCTION

1. Non-Production A - Crib and Expense Store Attendant
2. Non-Production B - Tool, Gage & Layout Inspection
3. Non-Production C- Gear Quality Inspection
4. Non-Production D - General Labor, Oiling, Outside Labor & Inside/Outside Shaving Hauler
5. Non-Production E - Material Handling
6. Non-Production F - Stock Expeditors (Experimental)

SCHEDULE I

SCHEDULE I

CLASSIFICATIONS

1. Utility
2. SPC
3. Experimental Gear Cutting

MEMORANDUM OF UNDERSTANDING

1. Any work previously performed by stock chasers will be assigned to Non-Production E; Other work previously assigned to MAPS personnel or bill out specialists that would include such duties as inventory/material control, stock flow, cycle counting or scrap identification will be done by a Production - Owner Operator.
2. All outside material handling will be manned by an appropriately trained and/or licensed Non-Production E employee. It is the sole responsibility of the Company to ensure that there are trained and/or licensed employees on all shifts. Preference will be given to the most senior employee on each shift in the Non-Production E occupation if training or licensing is required.

SCHEDULE II

WAGE RATES

Start 3 mos. 6 mos. 9 mos. 12 mos. 18 mos. 24 mos. Class B Class A				
Owner Operator	Production			
	Non-Production			
Non-production A	18.59	18.65	18.74	
				18.74
				19.85
				19.85
				18.74
				18.77
Non-production D	18.63	18.69	18.74	
				19.78
Non-production E	18.65	18.71	18.77	
				19.78
Non-production F	18.98	19.18	19.38	
				19.78
Classifications				
Utility				20.35
				19.86
				19.85
Overtime				21.06
Coordinator				
Experimental Gear				
Cutting				
Skilled Trades				
Carpenter	19.72	19.78		19.78
				20.59
Industrial				20.01
				21.41

SCHEDULE II

Electrician									
Boiler Room	19.60	19.65	19.71	19.79					20.52
Fireman **									
Heat Treat Fixture	19.87	19.93						19.93	20.73
Maintenance									
Machine Repairman	20.10	20.17						20.17	20.98
Millwright/ Welder	19.87	19.93						19.93	20.73
(inc. Blacksmith)									
Industrial Pipefitter	19.98	20.03						20.03	20.84
Tool Cutter	19.60	19.66	19.72	19.78				19.78	20.59
Grinder*									
Toolmaker	20.12							20.18	21.06
(toolroom clerk, toolroom crib & tool & gage inspection)									
Industrial Truck	20.10	20.17						20.17	20.98
Repair									
Toolmaker	19.23		19.43						
(Experimental)								19.83	21.06

SCHEDULE II

Experimental Engr.	19.13	19.33	19.53	19.73	20.68
Test Tech.					

New Employees (Except for Skilled Trades) will be paid in accordance with Article 8, Section 1 (New Employee Wages).

Employees who perform work on experimental gear cutting will be paid in accordance with toolmaker rates.

* See Skilled Trades Memorandum of Understanding #6. Cutter grinders assigned to Hurth Grinder will receive Tool Cutter Grinder A rate and an additional \$.10 upon gaining 3-month rate and \$.22 upon gaining the 6-month rate.

** Includes operation of waste water pre-treatment system. Firemen will be assigned to boiler cleaner.

MEMORANDUMS OF UNDERSTANDING

1. OUTSOURCING OF NON-SKILLED WORK

The Company and Union agree to investigate all (except incidental or emergency) work considered for outsourcing before a contract would be let, to consider the potential effect of any outsourcing decision and to make every reasonable effort to keep the work in-house. Generally speaking, the parts that would be considered for potential outsourcing would be those parts that could be purchased from a vendor but which have been made at Borg-Warner Automotive, Diversified Transmission Products Corporation, Muncie Plant.

The Company agrees to notify the Union on the form and by the procedure currently in effect before any "non-skilled" work is out-sourced. Notification should take place as soon as feasible prior to anticipated outsourcing. There shall be a penalty of \$1000 paid by the Company per incident when Company representatives fail to notify the Union when current work is to be contracted out. The liability shall be paid to those employees affected.

Any work that is out-sourced may be reviewed by the Bargaining Committee and the feasibility of bringing the work in-house discussed, based on the normal criteria on which outsourcing judgments are made.. The Company's decision to out-source non-skilled work will normally be based primarily on cost, quality and timing. In those instances where outsourcing occurs the Company and Union will work together to develop work practices, or if cost effective, recommend the purchase of equipment or machinery to enable such work to be done in-house.

In those cases of incidental or emergency work, which occur normally as a result of machine, tooling, or stock problems, etc. and which preclude notification prior to the outsourcing, notification will be made to the Union as soon as feasible on the next work day.

The failure of the Company to actively seek the involvement of the Union is a violation of the intent of this agreement. It should be reported immediately to the parties so that steps may be taken to ensure compliance with this memo.

2. UTILITY CLASSIFICATION

OCCUPATIONAL UNITS:

Effective March 12, 1998, seniority in the utility classification in the owner operator occupation will be based on seniority without regard to areas of expertise (reference Article 5, Section 10).

RATE OF PAY:

(See Schedule II)

PROMOTION:

Openings for the Utility Classification will be posted for one (1) week prior to selection.

Promote on basis of seniority and ability to do the job with consideration being given to working experience in the occupational unit in question.

Questions regarding the disqualification of employees after selection to the utility classification will be discussed between the Union Committee and the representatives of the Company which will include the Manager of Manufacturing, Supervisor of the manufacturing area, Manager, Human Resources, Plant Employment Manager, and two (2) other members of management.

BASIC DUTIES: (Not all-inclusive)

1. Perform, assist, and instruct on setups.
2. Instruction of bargaining unit employees.
3. Performance of re-operation work as required.
4. Correction of machine wrecks-not conflicting with skilled trades.
5. Assisting skilled trades where necessary in correcting machine problems, setups, etc.
6. Perform special work with the exception of preliminary production work as defined by Article Eight A, Section 3, of the labor agreement as required.

SENIORITY:

Seniority will be exercised by occupational unit by department then plant wide. This would include reduction, increase (includes returning to the occupational unit in an increase after having been reduced out), shift preference, etc.

OVERTIME:

Overtime to be equalized among employees by occupational unit by department (or area assigned if more than one department). The guidelines set forth in Article Nine, Section 4, of the Collective Bargaining Agreement for the equalization of overtime by production employees are to be followed.

DISPLACEMENT OF PRODUCTION EMPLOYEES:

It is the intent of the Company that production employees temporarily displaced by the Utility classification employee will be placed elsewhere on the group if such is at all possible.

If the displaced employee cannot be placed on the group, the employee will be placed on an

open job in his occupation within the department.

SKILLED TRADES WORK CLASSIFICATION QUESTION:

It is the intent of the Company that there should be no conflict of interest between the skilled trades classification and the work performed by the utility employee.

Employees who leave the utility classification for any reason will be returned to their regular job, seniority permitting.

3. MANNING OF NONPRODUCTION WORK ASSIGNMENTS

It is understood between the Company and the Union that non- production work assignments will be manned on the same basis or in accordance with the practice followed for many years for the manning of production groups. Therefore, in those instances where there is sufficient work to support the assignment of an employee working in a non-production occupational unit but the amount of work time involved for any given or specific non-production occupation does not constitute an entire work shift, the job will be manned with an employee who is working in the non-production occupation that requires the most work time during the regular forty- (40) hour work week.

4. NON-PRODUCTION B - INSPECTION/PRODUCTION TOOL GAGE, & LAYOUT

A revised training program has been established that consists of a three-(3) month training period in gage calibration and a three-(3) month period in plant layout. The total training period will be six (6) months.

During the six-(6) month training period, there will be no shift preference for the trainees in the program.

The employee during the training program will be permitted to equalize overtime only among those employees of a like status within the occupation.

To qualify for the Non-Production B occupation, certain minimum math and blueprint requirements are needed. Qualifications will be established by a written test provided by the Metrology manager that will cover the basic math courses numbered 1, 2, 3, and 4. Also a basic blueprint reading capability test will be administered. The trainee must be deemed qualified by the Metrology manager. The possibility of adding some classroom training to supplement our current training program will be reviewed.

5. TEARDOWN & REPAIR

1. Promotion to occupation: Owner Operator
 - A. Openings will be posted one week prior to selection.
 - B. Selections will be made on the basis of Article 5, Section 6.
 - C. Employees promoting to or assigned to tear-down and repair must be able to perform duties listed below. Failure to qualify will be handled under Article 5, Section 6 and Article 5, Section 7.
2. Basic duties:
 - A. The basic duties will consist of but not be limited to product analysis, tear-down of assembly line rejects, and final quality audits.

- B. Analysis and tear-down functions will include:
1. Final quality audit and disassembly of units from our assembly lines.
 2. Analysis of units returned from customer assembly plants as required.
 3. Analysis of units and parts returned from O.E.M. Warranty Programs as required.
 4. Analysis of units returned from Fleet Exchange Programs as required.
 5. Parts salvaged from assembly line (in-house) or assembly plant returns are properly cleaned and prepared (marked, stored, checked, etc.) to be re-used by production.
 6. Units to be used as dealer exchanges are to be prepared for shipping in T&R.
 7. Analysis of units returned from miscellaneous sources as required. Analysts will be required to learn all products, make accurate analyses, and report the required information in an acceptable form type report.
- C. Documentation must be understood and properly used. Documentation includes analysis sheets, repair orders, assembly explosion views, part numbers, parts list, blueprints, and terminology that properly describes analysis.
1. The Company will send Owner Operators to assembly plants or wherever necessary to resolve

problems of a nature that can be determined in advance that require bargaining unit work or when requested by quality control personnel, supervisors, engineers or anyone else with the required and appropriate knowledge to resolve problems with our products at our customer's facilities.

2. It is further understood that the return of large numbers of any unit may under certain conditions be assigned to the regular assembly lines for tear-down, repair, checking, or whatever work is required. The work of tear-down and repair (T&R) is normally limited to smaller numbers of units which can easily be handled within the limitation of the T&R department. However, this does not preclude the assignment of T&R personnel to work with specific assembly lines or other employees on large number of returns where such assignment is feasible and necessary. As in the past, there are instances where repair areas may be set up apart from the assembly lines and apart from T&R. Typically, these repair lines are a function of their home assembly line.

- D. Work stations, hand tools, specialty tools, general equipment (such as presses, test stands, and leak tests) will be provided. Analysts must be capable of using and caring for this equipment.

E. Seniority as per appropriate contract language.

F. Overtime as per appropriate contract language.

LETTERS OF UNDERSTANDING

1. SAFETY & HEALTH

The Company, in compliance with the Occupational Safety and Health Act of 1970, agrees to maintain sanitary, safe and healthful working conditions in the plant; to equip all hazardous machinery with effective safety devices; to maintain precautions against exposure to occupational diseases and poisoning and to furnish without cost to the employees whatever protective equipment and special clothing may be needed by them for the safe and healthful performance of their jobs. The Company will furnish gloves on all jobs where necessary and not prohibited by insurance or safety regulations. On operations where gloves are requested, such operations shall be reviewed by the plant committeemen, supervisor, and Safety Director and it shall be determined at the review if gloves are necessary for such operation.

In addition to the above, the Company agrees to hold a meeting at least once every three months for the purpose of reviewing with the Union matters as they relate directly to the safety and health of the employees in the plant. The Union may invite the appropriate International representative to this meeting. The Company representatives in attendance will be the Safety Director, the Manager, Human Resources or his designee, the Manager of Manufacturing or his designee, and other members of management who may be involved. The Union shall notify

the Company two weeks in advance of a request for such a meeting.

Upon the settlement of a firm date, a plant inspection tour will be conducted by two Union and two Company representatives and the Safety Director. This plant inspection tour will be conducted at least one (1) week prior to the quarterly safety review meeting.

If the Company and Union representatives are unable to resolve a safety issue during the above-mentioned meeting, it will be referred to the Vice President Human Resources, and the International Representative, Safety, who will jointly determine the final disposition of the issue. However, if the issue is not resolved, it may be submitted by the Union to a qualified impartial third party mutually selected by the parties.

During the 1998 negotiations, the Company indicated its full commitment to its responsibilities to furnish emergency medical care to its employees. At a minimum, the Company will comply with the requirements established by OSHA.

2. PLANT CLOSURE

During the 1982 negotiations the Union expressed concern with regard to timely notification in the event of plant closure.

The Company agrees that in keeping with its overall policy of employee communications, that the Union will be notified as soon as possible with regard to a decision to close the plant.

Furthermore, the Company pledges to work with the Union leadership to the extent practical in the

provision of job counseling, outplacement services, etc., in the event of a plant closure.

3. JOINT CIVIL RIGHTS COMMITTEE

It is agreed between the parties that a Civil Rights Committee will be established which will consist of three representatives from the Union and three representatives from the Company.

This committee will meet as required but not less than twice each year to discuss equal opportunity and discrimination problems and tensions in the plant and develop ways and means of promoting use of the grievance procedure as the exclusive method for resolving disputes.

It is understood that the time spent by the Union members of the Joint Civil Rights Committee in the investigation of complaints and/or the attendance of regularly scheduled meetings will not be compensated by the Company.

The Union agrees that both the Union and the Company will enforce the language and intent of this letter and that all incidents pertaining to the Joint Civil Rights Committee shall be brought to the attention and direction of the Joint Civil Rights Committee so that the Committee may fulfill their duties as spelled out in this Letter of Understanding #3.

4. JOINT CIVIL RIGHTS COMMITTEE

During the 1986 negotiations, the Company and Union discussed the importance of correct setups and the proper role of the supervisor and operator in assuring that this happens. The parties have agreed as follows:

1. An experienced operator who is paid the owner operator rate is expected to make his

assigned setup properly, without help, and within reasonable time. Such setup operator would be expected to communicate any problem he might have with his supervisor so that such problems can be addressed. The supervisor, too, is expected to share with the operator additional pertinent information he might have regarding the setup. The operator is expected to know what additional services such as red line room are required to finalize the setup.

2. An owner operator making a setup on an unfamiliar cycle should work closely with the supervisor in completing such work and the supervisor will sign off on the setup.

The supervisor is responsible for providing guidance and instruction to operators in such cases, but it is expected that the operator should perform properly and responsibly in accordance with setup instruction, prints, etc., as well as through communication with the supervisor. It is not expected that the supervisor should "redo" the setup, that is check every dimension, etc., but he should be assured that the setup has been properly completed, either through confirmation with the operator, an outside source such as the "red line room" or his own appraisal.

It is expected that the operator will utilize normal workmanship habits and will not rely on the supervisor to find his mistakes. On the other hand, the supervisor is to be aware of the experience of the individual and the technical assistance he might require.

Both the operator and the supervisor share a joint responsibility in producing correct setups.

5. PERSONAL PASSES

It is understood that the Company's policy pertaining to the issuance of passes for personal reasons is as follows:

Although the Company reserves the right to question the nature of a pass, in practice the Company will not request the reason for a personal pass unless the employee's record is questionable.

If an employee with an unsatisfactory work and/or attendance record requests a personal pass and refuses to give the supervisor the reason for such a pass, the supervisor should give the employee a pass to leave work but should indicate on both the pass and the employee's attendance card that the work time covered by the pass is unexcused. The supervisor should also inform the employee that he may be subject to disciplinary action.

When employees states it is too hot or too cold to work, they will be given personal passes with the notation: "Employee states too hot/cold to work". The situation will be treated as a personal pass situation.

If the employee leaves the plant without a pass, the employee is subject to disciplinary action for leaving work without permission and for unexcused absence unless he furnishes a legitimate excuse acceptable to management for having left work.

6. SPEEDS AND FEEDS

It is understood between the parties that the Company does not intend to invoke mass speedups, by increasing speeds, feeds or process times. **The Company agrees that in those**

instances where the Company (reduces or increases) speeds and feeds, or process times, the Company will notify the employees and their steward.

All disputes are subject to the grievance procedure.

7. SUPERVISOR RESPONSE TIME

As has been pointed out, the amount of supervisor response time has in total not been a problem. However, the Company recognizes that in certain areas there may be exceptions. Therefore, the Company again agrees to analyze on a regular routing basis the reports of supervisor response time and to make adjustments in accordance with good management practices wherever response times seem excessive and unnecessary.

8. ADJUSTMENTS TO PAY RECORDS

During the 1980 Negotiations, the Union expressed dissatisfaction with the delays experienced in correcting errors in the pay system.

It is the intent of the Company that all errors will be corrected and adjustments will be made as soon as possible in order to cause minimal inconvenience for the employee involved. Under normal circumstances the time involved should not exceed 30 days. The Company will endeavor to make every effort to adjust pay prior to 30 days.

9. PAST PRACTICE

Although the provisions of Article Twelve, Section 13, of the Collective Bargaining Agreement apply only to the skilled trades occupations, the Company will continue its past practice of utilizing outside labor employees where feasible and the Company has the necessary equipment and machinery to perform such work.

10. UNION REPRESENTATIVE TRAINED IN METHODS OF PRODUCTION MEASUREMENT

The Company agrees that during the duration of this Collective Bargaining Agreement, one Union representative trained in methods of production measurement will be maintained. Such representative will be assigned to a production or non-production occupation and may be utilized as set forth in Article 3, Section 2, Step 3.

11. USE OF CAMERAS IN PLANT

The Company will not use surveillance cameras, **phone taps**, etc to check the work activities of BorgWarner, DTPC, Muncie Plant employees. **Any alleged violations will be subject to Article Three.**

12. DELAYS

The Company **uses standardized engineering data which** recognizes that there are normal delay factors which will be considered when establishing production goals.

13. ERRORS

In the course of writing the current contract, certain deletions were made of material which appeared to be outdated. It is agreed between the parties that where the situation would appear to exist which had been covered by such language and is not now covered by the new language inadvertently, the language of the 1995 Collective Bargaining Agreement will serve as a guide to the parties.

14. DEFECTIVE VENDOR MATERIAL

In those instances when vendors supply faulty material to DTPC Muncie Plant, it will be solely the vendors responsibility to determine how to resolve such issues by whatever means they

deem appropriate including but not limited to the following:

- a. Sort, repair or rework to be performed by DTPC employees with costs charged back to vendor.
- b. Defective material to be returned to the vendor or shipped to a designated location for the vendor to sort, repair or rework
- c. Sort, repair or rework to be performed by the vendor supplied manpower in the Muncie Plant

In those instances when vendor supplied manpower is performing sort, repair or rework within the facility, the Company will endeavor to separate the vendor supplied manpower from DTPC bargaining unit employees whenever possible.

However, when vendor material has been assembled by DTPC bargaining unit employees (ie. sub-assemblies or complete assemblies), bargaining unit employees will do all sorting, repair and rework within the facility. The disposition of other vendor parts which are found to be defective after having been machined will be discussed by the Company and the Union in order to arrive at the appropriate business decision.

15. K46 OVERNIGHT TRAVEL

The following rules will apply to all bargaining unit employees while such employees are engaged in extended and overnight travel at the request of the Company:

Food-\$50.00 per day

Laundry and dry cleaning-At reasonable cost

Telephone-At reasonable cost

Motel-Individual Unit-At reasonable cost

All of the above expenditures are to be validated by receipt. Phone calls to home should be made from the motel, which automatically validates by receipt. Unless the circumstances absolutely dictate otherwise phone calls to Diversified Transmission Products Corporation, Muncie Plant should be collect. Phone calls involving parts for trucks, other directly related Diversified Transmission Products Corporation, Muncie Plant business and other emergency situations should be made from the motel if at all possible, but if made otherwise, must be validated.

Incidental expenses involving Diversified Transmission Products Corporation, Muncie Plant business must be validated by receipt. Personal incidentals are to be paid by the individual rather than by Borg-Warner Automotive Diversified Transmission Products Corporation, Muncie Plant.

SKILLED TRADES MEMORANDUMS OF UNDERSTANDING

1. SKILLED TRADES-REPLACEMENT OF ABSENTEE ON 11:30 SHIFT

It is agreed between the parties that the following procedures will be used to replace an absentee in the skilled trades on the 11:30 shift.

- A. If the Company knows of the absence during the 7:30 to 3:30 shift time, the youngest employee on days in that department may be transferred to the 11:30 shift. This becomes his shift for that period of time and there is no question of overtime involved.

- B. If the Company does not know of the absence until after the 7:30 to 3:30 shift time, day shift employees, beginning with the youngest, may be transferred to that shift, and will have the option of working their regular shift the following day if they so choose, thereby earning the overtime premium.
- C. The Company may cover the absence by the use of overtime as in the past by requesting 3:30 shift personnel to work over or by calling an employee from the overtime list.

Should the absence extend for more than one day, the vacancy may be filled in accordance with the seniority provisions of the contract by transferring the youngest employee from the day shift or from the 3:30 shift to the 11:30 shift.

2. TOOL WORK AND INDEPENDENT CONTRACTS FOR WORK

The Company understands its contractual obligations under the provisions of Article Twelve, Section 10 (Tool Work) and Article Twelve, Section 13, (Independent Contracts for Work) of the Labor Agreement and fully intends to abide by and comply with such provisions.

The Company further agrees to keep the Union informed by notification of the appropriate skilled trades or EEOU Union representatives and the Chairman of the Negotiating Committee of those instances where major tooling or experimental production programs are put out to outside tool shops and of those occasions when independent contractors are utilized within the plants themselves in an effort to maintain harmo-

nious relationships and avoid undue conflict among the bargaining unit members of the skilled trades and between the Company and the Union.

It shall be the intent of the Company to give full attention to the factors involved with both the use of outside tool shops and independent contractors as such relate to and affect the bargaining unit skilled trades occupations and employees and be able to justify its position should an issue arise.

3. INDUSTRIAL TRUCK REPAIR DUTIES

It is agreed between the Company and the Union that all work with regard to repairing, maintaining and servicing industrial trucks (i.e. lift trucks, Kalamazoo, etc.) will be assigned to the industrial truck repair occupation. This agreement, however, restricts in no manner the long-established practice of subcontracting certain portions of this work to outside concerns. The intent and purpose of this Memorandum of Understanding is to relieve machine repairmen, industrial pipe-fitters and industrial electricians from this type of work assignment in order to utilize their skills and expertise in the most effective and efficient manner possible.

It is agreed that to implement the industrial truck repair occupation which is now a function and which is part of the machine repair occupation, the five (5) employees currently assigned to the industrial truck repair work will be given the option, at the time of the effective date of the 1977 Collective Bargaining Agreement, of remaining on such work assignment. Therefore, it is agreed that in the event the industrial truck repair work assignment is reduced, the employ-

ees having the machine repair occupation who choose to exercise the above-noted option will be reduced to other work within the machine repair occupation, seniority permitting.

It is understood that in the event the industrial truck repair work assignment is increased or if it is necessary to fill a bona fide job opening involving industrial truck repair work after the effective date of the 1977 Collective Bargaining Agreement, the Company will select competent mechanics, providing that none of the previously mentioned five (5) employees who have exercised the above-described option have been reduced from such work except as the result of normal attrition, to fill such job openings created by an increase in the industrial truck repair work load and/or bona fide job openings involving industrial truck repair work. It is further understood that in the event there is a reduction in the industrial truck repair work after competent mechanics have been selected and placed on such industrial truck repair work as previously described, such employees (mechanics) will be reduced from the industrial truck repair work prior to the reduction of the employees having the machine repair occupation who exercised the option noted in this Memorandum of Understanding of remaining on the industrial truck repair work assignment.

It is finally agreed that once the employees having the machine repair occupation who exercised the option to remain on the industrial truck repair work assignment are no longer a consideration with regard to the industrial truck repair work due to attrition, the industrial truck repair occupation will consist of the competent mechanics selected by the Company who will exercise sen-

iority in that occupation on the basis of the date that such employees (i.e. competent mechanics) were assigned to the industrial truck repair work itself.

The employees having the machine repair occupation who choose to remain assigned as previously described to industrial truck repair work will continue to be paid the wage rate for the machine repair occupation. When job openings are filled by competent mechanics selected by the Company the wage rates effective for such mechanics will be the same as the wage rates and wage schedule for the machine repair occupation.

It is not intended by the terms of this Agreement that the skills and experience of any other skilled trades occupation will not be utilized when required. In addition, it is understood that certain skilled trades employees will be used for instruction purposes.

4. INDUSTRIAL ELECTRONIC TECHNICIAN CLASSIFICATION

The Company, Borg-Warner Automotive Diversified Transmission Product Corporation and the Union, Local #287 U.A.W., herewith agree that the occupation, now known as Industrial Electrician, and the classification known as Industrial Electronic Technician will be consolidated into one occupation, designated Industrial Electrician.

- a) All employees in the occupation will be cross-trained. It's expected that all employees will participate in such training in good faith unless exempted from such training by agreements between the Company and the Union.

- b) A Joint Training Committee will be formed to organize, schedule and document required training.
- c) For the purpose of developing a training program, the Company will establish minimal standard criteria and testing procedures to be approved and administered by the Joint Training Committee.
- d) The following attachments and clarifications are to be considered a part of this Agreement.

Training

- a) An aggressive training program is to be established when feasible, hopefully within thirty (30) days.
- b) No employee will be forced to perform work on equipment without the proper training. However, all employees will be expected to do work which he or she has demonstrated equivalent skill or capability thereof or which is not unlike that work performed in their former occupation.
- c) There will be no retribution against any employee because of a lack of knowledge or training or against those considered exempt under Item A above.
- d) Complete and up-to-date documentation containing all records of training successfully completed by employees involved, will be the responsibility of the Joint Training Committee.

Overtime

- a) There will be one overtime list - refer to Article 9, Section 4.
- b) The overtime procedure currently in use will continue.

Attachment

- a) It is understood between the parties that outsourcing is a contractual issue and the language in the labor agreement must be adhered to.
- b) The Company and the Union agree that better cooperation and understanding on outsourcing issues is the goal of both parties.
- c) The Company agrees to revive and continue the Industrial Electrician Apprenticeship Program using standards determined by the Joint Training Committee when feasible, hopefully within ninety (90) days of the effective date of this Agreement.
- d) The Company will prohibit engineers, co-ops and all other salaried persons from doing Skilled trades work. However, these persons should be willing to work with Tradesmen when requested.
- e) The Union will encourage tradesmen to develop a better working relationship with salaried persons in an effort to have better communication and a higher level of efficiency.
- f) The parties agree the above items refer to all crafts in the Skilled Trades unit.
- g) The Company agrees to establish a set procedure concerning factory representatives being brought into the plant because of equipment problems and to notify the appropriate personnel who will be involved with requesting, contracting or assisting these factory representatives of this procedure.
- h) It is understood between the parties that factory representatives are not to be brought in to do actual work in lieu of a skilled tradesman doing the work on equipment. The pur-

pose of the factory representative is to work with, train, advise and assist skilled tradesmen and engineers in making necessary repairs and adjustments with the exception of warranty and/or emergency work already covered by the contract.

- i) The Union agrees to encourage tradesmen to work together with factory representatives in an effort to gain knowledge and efficiency.
- j) There will be no reductions in the Industrial Electrician occupation as a result of this **Memo #4** If a reduction of force becomes necessary in the new Industrial Electrician occupation, for reasons other than schedule decreases, the Company will make every attempt to accomplish such reductions through attrition.
- k) The Company agrees to refund the full tuition costs for seniority employees of the Industrial Electrician occupation who enroll in and satisfactorily complete electronic training or educational courses or other approved training or educational courses related to the Industrial Electronic Technician Classification as approved by the Company.

5. HURTH GRINDER

It is agreed between the Company and the Union that to provide the stability required to maintain the skills necessary to efficiently utilize the Hurth grinding equipment the following procedures will be implemented:

1. The Hurth grinder which is currently assigned to Department F33 will be assigned to Department F13.
2. The Hurth grinder, as in the past, will

continue to be manned from the tool cutter grinding occupation.

3. The employees assigned to operate the Hurth grinder will be selected by the Company on the basis of ability to operate such equipment with consideration being given to past training and experience on such equipment.
4. Shift preference will be limited to the employees assigned to the Hurth grinder by department with the understanding that an employee being trained to operate such equipment cannot bump or be bumped until such training is completed and the employee is considered to be qualified to operate such equipment without instruction. This time period, however, cannot exceed thirty (30) work days unless otherwise mutually agreed to.
5. The wage rate for employees assigned to the Hurth Grinder is established as follows: - Beginning Rate - Tool Cutter Grinder Class A Rate.

Three-Month Rate - Tool Cutter Grinder Class A Rate Plus \$.10.

Six-Month Rate - Tool Cutter Grinder Class A Rate Plus \$.22.

In addition, the following paragraphs provide for the efficient operation and effective utilization of the Hurth grinding equipment during the regular work week and periods of overtime.

- (a) Department 9885 is to be considered a unit for the purpose of the administration of the application of seniority pro-

visions of the Collective Bargaining Agreement except as modified below in the succeeding paragraphs or items.

- (b) Employees working in the tool cutter grinding occupations who are assigned to operate the Hurth grinder in Department 9885 will share overtime opportunity on such equipment only among themselves to the greatest possible extent. Therefore, split shifts and then double shifts to cover periods of overtime will be offered to such employees so assigned prior to offering such overtime work opportunity to any other employees working in the tool cutter grinding occupation.
- (c) If the overtime work requirements for the Hurth grinder in Department 9885 cannot be satisfied under the procedures outlined in item (b), the overtime work opportunity in question will be offered to employees working in the tool cutter grinding occupation who have been trained and have work experience on the Hurth grinder equipment without regard to the equalization of overtime provisions of the Collective Bargaining Agreement. Overtime worked by such employees, however, will be charged and made part of their total accumulated overtime hours worked.
- (d) The intent of items (b) and (c) is to insure that overtime work opportunity on the Hurth grinder equipment in Department 9885 is limited to trained, experienced, qualified employees working in the tool cutter grinding occupation.

- (e) Employees working in the tool cutter grinding occupation who are qualified through training and work experience to operate the Hurth grinder equipment in Department 9885 may be assigned with their agreement, out of line of seniority, to operate such equipment on another work shift without necessitating a change in shift preference for a time period of ten (10) work days which may be extended by mutual agreement to satisfy emergency work requirements or increases in the work load of the Hurth grinder equipment involving a short duration of time.

When openings occur in the Hurth grinding classification, a selection will be made from among those seniority employees in the occupation who have had training on the Hurth grinder based on their seniority.

6. RELATED SCHOOLING ALL APPRENTICEABLE AND NON-APPRENTICEABLE SKILLED TRADES

The Company agrees to pay on behalf of apprenticeable and non-apprenticeable trades covered by this Agreement an amount equal to the registration fees and/or tuition for related instruction and school attendance as charged by either Anderson or Muncie vocational schools provided that such fees are verified and that the related instruction is verified as relevant to the occupation by the supervisor of the unit.

7. **OUTSOURCING OF SKILLED WORK**

1. The Company and Union agree to establish a Joint Company/Union Outsourcing Committee. The purpose of this committee will be to investigate all possible outsourcing work (**except for minor, rights to access and emergency**)* before a contract would be let, for the purpose of keeping the work in-house if possible.
2. The Company understands the Union's concern with regard to the seriousness of the subcontracting issue and the impact that decisions on this subject can have on the job security of bargaining unit skilled trades personnel.

The Company further understands that it is the intent of this Memo of Understanding that both parties **will evaluate all of the factors involving subcontracting situations in a reasonable manner** with regard to equipment availability, skills required, time limits, customer commitments, operating costs, etc., in an effort to establish and maintain a harmonious relationship between the Company and the Union.

The Company pledges that every good faith effort will be made to work with the Union to minimize conflicts involving this extremely important area of concern.

3. This committee is to be aware of all outsourcing, to investigate those situations where such work could be done in-

house, and in general to monitor the provisions of Article 12, Section 10 and 13 as noted in items 4 and 5.

4. Article 12, Section 10 - Tool Work. No tool-room work, machine repair work or cutter grinding work shall be put out to tool shops, nor shall any experimental engineering occupational unit work be put out to any outside concern by the Company if the seniority list in the occupation affected is unexhausted, except in the case of rush experimental orders or to meet customers' emergency requirements which could not otherwise be met, and in such case before any work is let out, Company agrees to meet with skilled trades committeeman, steward involved, and chairman of the negotiating committee for the purpose of appraising such work before a job is contracted to justify their position.
5. Article 12, Section 13 - Independent Contracts for Work. The Company shall have the right at any time to enter into a contract or contracts with any person, firm or corporation for plant repairs, changes, improvements, or major maintenance, or for the installation, removal, repair, or changes of machinery and equipment, provided that either the Company does not have the necessary equipment available in the plant to perform such work in an efficient manner or that no seniority employees in the skilled trades occupations affected are laid off. Under all cir-

cumstances the Company agrees to meet with the skilled trades committeeman, steward involved, and the chairman of the negotiating committee for the purpose of appraising such work before a job is contracted to justify their position.

The provisions of Article Twelve, Section 13, do not apply to any work involved in the construction of new buildings, structural changes or structural additions to existing buildings, but bargaining unit employees may be used by the Company for any or all of such work at the option of the Company. It is expressly agreed that the time limit for submission to the arbitrator of grievances arising under this section shall be thirty (30) days after notice is given of desire to present the grievance to arbitration, and the award on such grievance will be made within fifteen (15) days from the date of the arbitration hearing. It is understood that these limits may be extended by mutual consent.

6. The Company agrees to keep the Joint Outsourcing Committee notified of those instances where major tooling or experimental production programs could be put out to outside tool shops and of those occasions where independent contractors could be utilized within the plant.

It shall be the intent of the Company to give full attention to the factors

involved with both the use of outside tool shops and independent contractors as such relate to and offers the bargaining unit skilled trades occupations and employees and be able to justify its position should an issue arise.

7. In those cases, where work practices are suggested which would involve contract interpretation or change, recommendations will be made by the Joint Committee to the parties before a formal recommendation is made to the appropriate manager.
8. The failure of Company to actively seek the involvement of the Joint Company/ Union Outsourcing Committee in any outsourcing decision is a violation of the intent of this agreement. It should be reported immediately to the parties so that steps may be taken to ensure compliance with this memo.

The Company agrees to notify the outsourcing committee on the form and by the procedure currently in effect before any "skilled" work is outsourced. Notification should take place as soon as feasible prior to anticipated outsourcing. There shall be a penalty of \$1000 paid by the Company per incident when Company representatives fail to notify the Union Chairman of the Skilled Outsourcing Committee when current work is to be contracted out. The liability shall be paid to those employees effected.

9. Management personnel authorized to outsource work which is covered under this outsourcing agreement are to keep a log of all such out-sourcing activity. This record is to be made available to the outsourcing committee upon request.
10. This agreement applies to Industrial Electrician, ~ Pipefitter, Carpenter, Millwright and other skilled trades not specifically covered in Article12, Section10 and 13.

***In those cases of incidental or emergency work which preclude notification prior to outsourcing, notification will be made to the joint committee as soon as feasible on the next work day.**

8. SKILLED TRADES CRAFTT

A. CONCEPT:

During the 2000-2001 negotiations the parties considered the important role of the skilled trades in the Company's quality, productivity, and long term competitive position. The manner in which the basic core skilled trades are utilized substantially affects the day-to-day success of our manufacturing and assembly activities. The following guidelines are to be used by the parties in the utilization of basic skilled trades consistent with national guidelines established by the International Union.

In order for the Company to improve its competitive position the parties agree to a process to facilitate a more efficient use of the basic core skilled trades at the plant floor level.

In order to improve the manner in which we use

the varied skills and talents of our basic skilled trades workforce, the parties agree to the following:

1. Develop a process, which upgrades basic skills and capabilities and maximizes the contribution of each skilled trade's employee.
2. Restructure the manner in which the skilled trades are utilized in the manufacturing and assembly operations, as well as other area where skilled trades are assigned.
3. Examine the Apprenticeship Program and implement changes that ensure basic core skilled trades program graduates are better able to support future technology and operating requirements.

The CRAFTT concept embodies a number of important priorities with respect to the upgrading of skills of basic core skilled trades employees; and efficiently utilizing those skills in the plant CAPABILITY in basic core skilled trades.

RESOURCE commitment by the Company
ALIGNMENT of basic core skilled trades in trade groupings

FLEXIBILITY with respect to the performance of skilled trades tasks

TEAMWORK among trade groupings and production activities

TRAINING to support the continual development of the CRAFTT concept.

The general intent of this agreement is to:

- expand the skills of current and newly hired trades persons and apprentices
- provide increased flexibility to the company on job assignments to trades persons for

tasks that can be performed safely and competently.

- recognize general lines of demarcation in accordance with UAW guidelines.
- commitment to provide required training of existing trades employees and to review the apprentice training programs to ensure that future apprentices will be trained appropriately.

Under the CRAFTT concept, basic core skilled trades would work to foster teamwork, efficiencies, provide greater flexibility, upgrade basic skilled trades capabilities and enhance overall operational effectiveness. *It is envisioned the role of skilled trades employees would grow as new technology and operating practices are put into place.* Basic core skilled trades would be an important part of activities that focus on improved equipment uptime, project work, and preventative maintenance programs.

Introduction of the CRAFTT concept requires management leadership, support, and commitment at all levels of the Company.

B. Work Assignments

It is the policy of the Company to assign work between skilled trades employees in conformity with the following guidelines:

1. In making work assignments management intends to respect the basic differences between the trades and recognize the importance of its trades employees in the overall success of the plants future.
2. The Company cannot be put to a disadvantage by multiple hair-splitting

refinements and cumbersome and unreal distinctions.

3. The efficient operation of the plant demands the full utilization of the talents of each trade.

With these guidelines in mind the following factors will be considered in making job assignments:

Central Skills— tasks which require the unique and central skills of one particular trade are assigned to that trade unless such tasks are incidental to the principal tasks being performed by other trades employees as discussed below..

Overlapping Capabilities—to determine whether a particular skilled assignment falls within the scope of two or more trades and thus assignable to any of those trades, several criteria will be considered, no one of which by itself is controlling:

Level of skill involved

Types of apprenticeship training

Nature of the material being worked on

Task to be performed

Right to Access— is a comparatively minor task that is complementary to a principal job. In determining whether a task is covered under right to access to the trades person performing the principal task, the following points will be considered:

Safety

Capability

Time involved in relation to the principal work assignment (a minor task or a series of minor tasks performed sporadically over the duration of the principal work assignment are minor even though the cumulative time may be fairly large.)

Minor, Right to access tasks are not limited to those arising in the course of the principal work assignments but may occur at the beginning or end of the job.

Emergencies-- in the event of unforeseen incidents, fires, accidents and the like, assignments may be made without regards to trade, although trade lines are not to be disregarded where the time within which the repairs are to be made and the availability of the appropriate trades employees permit their observance.

These practices with respect to skilled trades work assignments will not result in the reduction of trades employees in the plant.

C. Training

It is agreed that appropriate training to upgrade and enhance skilled trades' capabilities would be required. The Company will commit the necessary resources to train skilled trades and related supervisory staff to ensure successful implementation and ongoing viability of the CRAFTT concept. The parties agree that all employees in the skilled trades may participate in classroom and on-the-floor-training assignments intended to upgrade skilled trades capability, flexibility, and expertise. Assessments of basic core skilled trades capability will be conducted to confirm the amount and type of training to upgrade basic skills, which should be done.

This agreement allows each trades employee to successfully complete training that will allow them to perform minor, right to access work, and overlapping work at a higher level, and acquire additional skills that result in an increase in their wage rate as specified below. This training will be divided into three levels, with an increasing amount of skill and versatility required at each level.

Successful completion of each level will result in a wage increase of \$.50/hour. The key elements of this training program will include the following:

1. Opportunity for all current and future skilled trades employees to participate in training for new and additional skills on a voluntary basis.
2. Recognition of advanced skills with corresponding wage increases of up to \$1.50/hour above the maximum occupational wage rate.
3. Establishment of a joint Company/Union committee to work with an independent outside source regarding the design of training curriculums and training certification requirements.
4. Procedure for skilled trades employees participating in the program who already possess advanced skills to "test out" of required courses and thereby advance more rapidly in the program.
5. Training books and materials will be provided by the company.
6. Commitment of the parties to convene the joint committee within 90 days of ratification.

The parties agree that the joint committee will determine the specific curriculum at each level, however, the following will serve as a minimum guide for each level:

Level 1 (\$.50/hour increase) –

Successful completion of a minimum of 148 hours of training in courses determined by the parties.

Level 2 (\$.50/hour increase) –

Successful completion of a minimum 160 hours of training.

Level 3 (\$.50/hour increase) –

Successful completion of a minimum of 116 hours of training.

Participation in the training program is voluntary. However, employees will still be assigned tasks in accordance with the previous Work Assignment language. The Training/Pay for Skill simply allows employees to attain even greater skill and be compensated for such skill. As employees progress through the levels it is expected that their overlapping capabilities will increase, and they will be qualified to perform tasks that are minor, right to access, or overlapping capabilities work at an even higher level. It is not the intent of the parties to allow an employee to opt out of training and thereby be excluded from performing right to access work based on their overlapping capabilities.

This training is intended to maximize the overlapping capabilities of the respective trades. However, this does not prohibit the above committee from establishing training curriculum that enhances existing skills within a specific trade.

9. HEAT TREAT FIXTURE MAINTENANCE/MILLWRIGHTS.

It is agreed between the parties that the current heat treat fixture maintenance occupation is a one man occupation and that the Company does not plan to enlarge that occupation.

It is therefore agreed between the parties that work assignments beyond the one man schedule will be assigned to the millwright occupation. For example, if 2 or more persons are required on the 7:30 shift or if employees were regularly required on the 3:30 or 11:30 shift, the additional people would be millwrights.

Miscellaneous overtime during the week would still be offered first to the present heat treat fixture maintenance employee and then to the millwrights. Overtime on Saturday, Sunday and holidays will be offered first to the heat treat fixture maintenance employee. Should he not accept or should additional hours beyond 8 be required on any such day, the work will be offered to the millwright occupation.

It is the intent of this language to supplement the present heat treat fixture maintenance work with assignments to the millwright occupation. At such time as the present heat treat fixture maintenance employee terminates his employment through retirement, etc., the entire work schedule will become millwright work.

10. "A" RATE FOR SKILLED TRADES.

"A" rate is recognized as the highest rate of pay that is paid to any skilled trades occupation (except lead person). There are established criteria by which all tradesmen are to be evaluated and such criteria will be published and made available to all members. It is the function of management to make evaluations and make rate increases on an equal and consistent manner.

Upon obtaining "A" rate there will be no reductions. If there is need to address an employee's work performance, attendance, etc., it will be dealt with in the proper manner as per the labor agreement.

11. LEAD-PERSON

Skilled trades and EEOU unit, any skilled trades or EEOU employee who has attained seniority and the maximum rate of the classification, may be elected by and from the work unit to which he/she is assigned to serve temporarily as a lead

person to act as leader of the work unit and to give routing instructions and directions and properly distribute the work among the employees in such work unit, by assignment of the supervisor. Assignment as a lead-person cannot be made effective or remain effective unless approved by the immediate supervisor and the manager of manufacturing or his designated representative.

In the event that no one is elected, the supervisor may appoint an individual to act as a lead-person for a period of no longer than fourteen (14) calendar days.

If the work unit does not agree to elect an individual to serve as a lead-person, there will be no lead-person until such time as the unit does elect an individual to act in that capacity.

It is agreed to by the Company and the Union that as of the signing of this contract, the number of lead-person will be reduced to zero (removing all prior and present lead-person) and the new procedure will be followed (elected by the unit) in selecting those who will serve as lead-person.

It is to be understood that lead-person will continue to perform actual work in their classification and there will be no change in their seniority status. Lead-person will be given a temporary classification as such and will be paid an hourly rate of thirty-five (35¢) cents per hour more than the maximum rate of their classification.

It is understood and agreed by the parties that lead-person are working members of the work unit and are required to perform work in their occupation. They are not responsible for disciplinary action, job performance evaluation or any other duties commonly recognized as management responsibility.

SKILLED TRADES LETTERS OF UNDERSTANDING

1. CRIB TRIPS

The Company agrees that the practice of using skilled tradesmen for the purpose of going into the crib areas during overtime periods will not be expanded in any matter.

2. ISOLATED WORK

To insure the safety of skilled trades employees who are given assignments which require them to work alone in isolated areas of the plant, the Company will utilize plant protection personnel or supervisory or other bargaining unit personnel to make periodic checks. Additional practices may be determined by the Health and Safety Committee. The Company will also assign an employee where needed to provide assistance when requested by skilled trades employees who are given assignments which require them to work overhead.

3. SKILLED TRADES-REPETITIVE AND/OR DIRTY WORK ASSIGNMENTS

It is agreed that skilled trades employees assigned for a period of ninety (90) days or more to jobs of a repetitive nature or jobs which are extremely dirty will, upon a notice of five days be reassigned to other work for a minimum of 90 days.

4. TOOLROOM BAR STOCK

It is understood that the bar stock previously cut by tool-room clerks will continue to be cut by employees working in the toolmaker occupation. This procedure will be followed wherever the bar-stock is located in this facility.

5. OUTSOURCING

During the recent contract discussions the Union expressed grave concern with regard to the

Company's use of outside tool shops and/or independent contractors when seniority employees of the affected skilled trades occupation are on lay-off. As part of the contract discussions and during a meeting held between certain members of Borg-Warner Automotive, Diversified Transmission Products Corporation Muncie plant management and skilled trades Union representatives along with the chairman of the negotiating committee of Local 287, UAW, the Company pledged that the appropriate procedures will immediately be established (an individual will be designated for each area of responsibility) to insure that the Union is kept fully informed prior to the subcontracting of such work with regard to all subcontracting activity under the terms of Article Twelve, Section 10, Tool Work, and Article Twelve, Section 13, Independent Contracts for Work, of the Collective Bargaining Agreement.

The Company understands the Union's concern with regard to the seriousness of the subcontracting issue and the impact that decisions on this subject can have on the job security of bargaining unit skilled trades personnel.

The Company further understands that it is the intent of this Letter of Understanding that both parties will evaluate all of the factors involving subcontracting situations in a reasonable manner with regard to equipment availability, skills required, time limits, customer commitments, operating costs, etc., in an effort to establish and maintain a harmonious relationship between the Company and the Union.

The Company pledges that every good faith effort will be made to work with the Union to

minimize conflicts involving this extremely important area of concern.

6. REDUCTIONS

It is agreed between the parties that when skilled trades employees with seniority are reduced from their skilled occupations and offered assignments in the regular bargaining unit under the terms of Article Five, Section 9, of the Company/Union contract, the new employee wage scale, as stated in Article Eight of the Company/Union contract, will not be applicable.

The "new employee" provision of the new contract language applies only to those employees who are hired after January 1, 1983.

7. OFFICE AREA FURNITURE

During the 1980 Negotiations the Union expressed concern regarding the movement and rearrangement of furniture, etc. in the office area.

The Company agrees that in those instances where equipment is required which is beyond the scope of small tools and common equipment, skilled tradesmen will be used to perform such major tasks.

8. SKILLED TRADES AGREEMENT

The toolmaker occupation will continue to inspect their own work, in addition to outside gauges, in order to comply with QS 9000 standards.

9. SHOWERS (MILLWRIGHTS)

The Company has agreed to allow millwrights who are assigned to the heat treat area on a regular basis to return to the millwright area for the purpose of showering twenty (20) minutes prior to the end of the shift.

10. CARPENTER/PAINTING

During the 1982 negotiations, the Union expressed concern over the subcontracting of certain painting to outside concerns.

The Company has agreed that the carpenters will be responsible for that painting from the steel structure down, including walls, windows, etc., as well as floors and machinery. This will not include the painting of office furniture nor does it include painting in the new office area.

11. WELDER TRAINING PROGRAM

It is agreed that welding is a required part of the millwright occupation. It is further agreed that the Company will continue to support a welding training program during the term of this Agreement.

12. ON THE JOB TRAINING

During the 1982 negotiations, the Union expressed concern that skilled tradesmen were not being assigned to accompany engineers, factory consultants, or other Company representatives while they were in the plant and therefore were not aware of current information, changes, etc., that they need to know.

The Company believes that in those instances where it is clear that a skilled tradesman would benefit in training from such assignment, under normal situations, such assignments will be made if priorities permit and every effort will be made to utilize skilled trades working in departments that require the engineer, factory consultant or other company representative. If the department tradesmen are unavailable, then every effort will be made to utilize skilled trades from other areas.

Eventual determination must be made by the involved supervisor who is aware of other

requirements, etc., which might interfere in a given instance. It is however the intent of the Company to provide proper exposure to current technology as indicated.

13. REVIEW OF OVERTIME

The Union expressed concern about the proper review of overtime in the skilled trades by the skilled trades steward. It is the intent of the Company to follow the language of

Article Nine, Section 4, as follows:

In the application of Article Nine, Section 4, as it applies to the offer of overtime in the skilled trades, it is the responsibility of the skilled trades supervision to review the overtime list with the skilled trades steward and to notify him of scheduled overtime. In addition, every effort will be made to keep the Union aware of any miscellaneous overtime. As noted in Article Nine, Section 4, the purpose of such review and coordination is to ensure proper equalization of overtime opportunity within the skilled trades.

14. TECHNICAL INSTRUCTION

During the 1986 negotiations, the Union expressed concern that certain skilled tradesmen were not receiving available technical instruction within their occupational areas.

The purpose of this letter is to express the intent of the Company to provide, wherever feasible, available training in relation to potential job assignments and responsibilities. While on the one hand consideration must be given to time away from the job, the Company is equally concerned that skilled tradesmen be adequately and properly trained as well as updated on the current manufacturing equipment. Every effort

will be made to provide equality of opportunity in obtaining such schooling. The current procedure of selection by the Training Committee will continue.

15. TRAINING TO MAINTAIN MACHINERY

It was pointed out by the Union that in some cases, once having passed the warranty period, vendors complete their work without passing along to the appropriate skilled tradesmen the necessary information to continue to maintain the machines.

The Company wishes to state again its intent that skilled tradesmen be properly trained to maintain the machinery, whether through direct instruction from individual vendor or from appropriate schooling.

16. UTILITY/SKILLED TRADES RESPONSIBILITIES

During the 1986 negotiations, the Union expressed concern about the relationship between the job responsibilities of the utility classification and the responsibilities of the skilled trades.

It is the intent of the Company that there should be no conflict of interest between the skilled trades classifications and the work performed by the utility employee.

The duties of the utility employee are clearly spelled out in Memorandum of Understanding #2 (Utility Classification).

The Company expects to comply with the intent of this language at all times.

17. CHANGEOVER EMPLOYEES

The purpose of this letter is to emphasize the appropriate language of Article Five, Section 9,

regarding the purpose and use of "changeover" employees in the skilled trades. This language states that the Company may transfer employees from other occupations into the skilled trades under the following circumstances:

1. Changeover
2. Plant rearrangement
3. Necessary work of a temporary nature and of short duration in connection with new or improved products.

It has been agreed that such changeover assignments may not exceed 90 days. Any extension of the assignment beyond that period must be agreed to by the parties.

It is the intent of the Company that changeover employees will be brought into the skilled trades involved only when such conditions are listed above exist.

- 18. OPEN JOB** - Employees shall be allowed to bid on open specialty jobs (i.e., board repair, lasers, documentation, vibration analysis, etc.). Open jobs will be posted five (5) days prior to placement on bulletin boards. The most senior qualified employee will be selected, as determined by Management.

19. OCCUPATION EROSION

During 2000-2001 contract negotiations, the parties established the CRAFTT agreement regarding skilled trades' employees. While this agreement clearly gives the company additional flexibility, it is not the intent of the company to erode the basic trades occupations. The company recognizes the union's concern that trades employees are able to maintain their status as a

journeyman in their respective trade. However, both parties recognize that as employees move through the Training/Pay for Skill portion of the CRAFTT Agreement they will develop increasing skills and have a higher degree of overlapping capability.

As the company has stated, the main intent is to allow trades employees to follow assignments through to their completion without the continual handing off of tasks from one trade to another. It is not the intent of the company to mis-assign trades employees, rather the company wants to better capture the overlapping capabilities of trade's employees.

There also may be projects where it is beneficial to both parties to "augment" a project crew. This may be done by mutual agreement.

To ensure that the above occurs, the company agrees to review the work assignments of trades employees with the union. A committee to be chaired by the Human Resources Manager and consist of no more than three union representatives and three company representatives will do this. This committee will meet twice a year to review the previous six months work assignments and determine if the CRAFTT agreement has been administered.

20. Skilled Trades Security Issues

During discussions for the 2000-2001 negotiations the parties discussed a variety of issues regarding skilled trades work assignments. One of the issues both parties recognize is the need to hire additional skilled trades employees. The Company will agree to commit to hire 25 skilled trade employees as soon as possible following ratification of this agreement.

These 25 will be a combination of apprentices and journeyman. This commitment is based on the current business conditions. Any change in such conditions could result in an increase or decrease in the above number. Another concern expressed by the union was to ensure that the language changes agreed to would not result in further attrition. Based on the above commitment, and the language contained in the CRAFTT agreement, the company commits to not reduce the number of skilled trades employees as a result of this agreement. Specifically the union expressed this concern regarding the toolmaker occupation. The company further commits that it will not attrition the toolmaker occupation below current levels, given that business conditions remain at least as they are currently.

EEOU MEMORANDUMS OF UNDERSTANDING

1. MAINTENANCE AND REPAIR-COMPANY VEHICLE

It is also understood between the Company and the Union that the Company reserves the right to subcontract all or any portion of the work involved in the maintenance or repair of Company vehicles and trucks as in the past and that such right to subcontract is not affected or limited in any manner by either the terms of this Special Agreement or the terms of any Article or Section of the Collective Bargaining Agreement.

2. EETT TRAINING

During the 1986 negotiations, the Union expressed concern about the level of training afforded members of the EETT occupation.

The purpose of this Memo is to specifically jointly advocate a comprehensive update and training program for the EETT, particularly as it relates to prototype work and computer controlled dynamometers, and the electronics lab.

3. CONTROL PARTS L2 STOCK ROOM

During the 1986 negotiations, the Union expressed concern about the control of parts in the L2 stockroom. The purpose of this Memo is to call attention to the concern and jointly recommend that the Company and Union work together to improve the situation.

During the 2000/2001 negotiations, the Union expressed concern that engineers are performing the expediter classification work. This memo is to assure the Union that this practice will be stopped.

4. DIRT CHECK

It is agreed between the parties that the operation called "dirt check" previously performed by Quality personnel will be moved to the EEOU area and in the future be performed by the EETT.

5. EXPEDITER OVERTIME

During the 1995 negotiations, the Union expressed concern that the expediter classification work was being performed by test technicians on overtime situations. This memo is to assure the Union that on overtime assignments concerning trips to the shop to pick up units or parts, the expediter will be used.

EEOU **LETTERS ON UNDERSTANDING**

1. L2 BARGAINING UNIT WORK

The engineers and foremen will not assemble, disassemble, repair or adjust transmissions / transfer cases at the Company plant unless a bargaining unit employee is present. When at

another plant, the engineer or supervisor shall not assemble, disassemble, repair or adjust transmissions / transfer cases.

When the pick-up or delivery of parts, units, or vehicles is the principal purpose of a trip, a bargaining unit employee shall be assigned to make the trip. However, when such trips involve other factors necessitating the use of an engineer or supervisor, the EEOU committeeman will be notified in advance.

2. ROAD TESTS

This will confirm our understanding that in the conduct of road tests the Company will not expect or require employees to violate any Federal, State or local traffic law or ordinance, and that when a mechanic is required to work in the new dynamometer room next to a test stand which is operating, he may shut down that test stand or arrange to have another employee present while he is working in the room. The Company will have the EEOU committeeman and the Manager of Health and Safety review this problem and take their advice for a solution.

It is also agreed that the Company will consider in good faith each past practice identified by the Union.

3. EEOU ALLOWANCES

Employees in the Experimental Engineering Occupational Unit will be supplied with up to three (3) changes of uniforms per week.

In addition, the following rules will apply to all bargaining unit employees, including bargaining unit employees of the EEOU, while such employees are engaged in extended and overnight travel at the request of the Company:

Food \$50.00 per day

Laundry and dry cleaning-At reasonable cost

Telephone-At reasonable cost

Motel-Individual Unit-At reasonable cost

All of the above expenditures are to be validated by receipt. Phone calls to home should be made from the motel, which automatically validates by receipt. Unless the circumstances absolutely dictate otherwise, phone calls to Borg-Warner Automotive, Diversified Transmission Products Corporation Muncie plant should be collect. Phone calls involving parts for trucks, other directly related Borg-Warner Automotive, Diversified Transmission Products Corporation Muncie plant business and other emergency situations should be made from the motel if at all possible, but if made otherwise, must be validated.

It is further understood and agreed to that any travel time by a bargaining unit employee will be paid for on the basis of time of departure to time of arrival minus any excessive personal time off which is consistent with the practice now being used in the EEOU occupation.

Incidental expenses involving Borg-Warner Automotive, Diversified Transmission Products Corporation Muncie plant business must be validated by receipt. Personal incidentals are to be paid by the individual rather than by Borg-Warner Automotive, Diversified Transmission Products Corporation, Muncie plant.

Credit cards will be authorized as determined by management to be practical.

SPECIAL AGREEMENTS

SPECIAL AGREEMENT - FACILITATOR

1. Rate of pay. The rate of pay for the SPC facilitator classification will be \$19.86, plus any negotiated increases.
2. Promotion to Classification:

- a. Openings will be posted one week prior to the start of SPC classes.
 - b. Employees who apply for openings and who have not been through the 20 hour SPC training class will be offered the opportunity to attend prior to selection being made. Those employees who have already had the 20 hr. SPC class will be allowed to attend as a refresher provided their last date of attendance occurred more than three (3) years prior to the beginning of the new class.
 - c. Promotion will be based on seniority and ability to do the job, that is, the promotion will be based on seniority from among those who pass the test. Factors which will be considered in evaluating ability shall be:
 1. Understanding of SPC
 2. Communication and training skills...and
 3. Ability to promote and facilitate team approaches and concepts.
 - d. Article 5, Section 6 (B) will be used in the disqualification of employees within the first 6 months of the classification.
3. Basic Duties:
- a. Serve as conduit for training on SPC
 - On job training
 - One-on-one training
 - Classroom training
 - Determine additional training needs
 - Classes will be presented no less than 1 time per year for those employees who would like to upgrade to SPC facilitator, giving preference to seniority when all who apply for such schooling cannot be accommodated.
 - b. Help to instill the desire to use SPC
 - Be leaders in the usage of exposing benefits to the employees

- Conduct statistical studies as assigned to identify areas or opportunities for improvement.
- c. Help to ensure "proper" usage of SPC
1. Work with operators in doing charting to help ensure:
 - It gets done
 - Operator understands the math, measuring, graph, etc.
 2. Work with operators in conducting measurement system R&R Studies.
 - Work with operators on Run Charts
 - Construct proper control charts in regard to sample size and frequency.
 3. Work with Gear Quality Inspection, and Production Tool and Gage and Layout on measurement system R&R Studies in accomplishment of these duties.
 4. Communication between employees and supervisor.
 5. Catalyst for teamwork
 - Promote the formation of teams
 - Facilitate various process and/or quality improvement teams
 - Help ensure employee and company involvement in various activities
 - Liaison between operators and support areas (i.e.; Mfg. Eng., Maint., etc.)
 - Liaison between production departments on quality or excess variation issues

4. Seniority:

Seniority will be exercised within the classification. This includes reduction, increases, shift preference, etc.

- Reduction Return to his occupation to open job or replace the youngest person working in the occupation plants-wide, seniority permitting.
5. Overtime:
Overtime will be equalized among employees within the classification.
- Uniform Procedure will be followed
6. Facilitators will work closely with quality engineers to ensure that the product is of the highest quality. They will have a dotted line reporting relationship with quality engineers in the following areas: ISR rejects, car test rejects, manufacturing problems, and assembly plant problems.

It is not the intent of this language for SPC facilitators to perform work routinely performed by inspectors occupations.

Cost of Living Schedule:

PI-W		COLA	CPI-W		COLA
	509.0	\$0.05	521.9	522.2	\$0.49
509.0	509.3	\$0.06	522.2	522.5	\$0.50
509.3	509.6	\$0.07	522.5	522.8	\$0.51
509.6	509.9	\$0.08	522.8	523.1	\$0.52
509.9	510.2	\$0.09	523.1	523.4	\$0.53
510.2	510.5	\$0.10	523.4	523.7	\$0.54
510.5	510.8	\$0.11	523.7	524.0	\$0.55
510.8	511.1	\$0.12	524.0	524.3	\$0.56
511.1	511.4	\$0.13	524.3	524.6	\$0.57
511.4	511.7	\$0.14	524.6	524.9	\$0.58
511.7	512.0	\$0.15	524.9	525.2	\$0.59
512.0	512.3	\$0.16	525.2	525.5	\$0.60
512.3	512.6	\$0.17	525.5	525.8	\$0.61
512.6	512.9	\$0.18	525.8	526.1	\$0.62
512.9	513.2	\$0.19	526.1	526.4	\$0.63
513.2	513.5	\$0.20	526.4	526.7	\$0.64
513.5	513.8	\$0.21	526.7	527.0	\$0.65
513.8	514.1	\$0.22	527.0	527.3	\$0.66
514.1	514.4	\$0.23	527.3	527.6	\$0.67
514.4	514.7	\$0.24	527.6	527.9	\$0.68
514.7	515.0	\$0.25	527.9	528.2	\$0.69
515.0	515.3	\$0.26	528.2	528.5	\$0.70
515.3	515.6	\$0.27	528.5	528.8	\$0.71
515.6	515.9	\$0.28	528.8	529.1	\$0.72
515.9	516.2	\$0.29	529.1	529.4	\$0.73
516.2	516.5	\$0.30	529.4	529.7	\$0.74
516.5	516.8	\$0.31	529.7	530.0	\$0.75
516.8	517.1	\$0.32	530.0	530.3	\$0.76
517.1	517.4	\$0.33	530.3	530.6	\$0.77
517.4	517.7	\$0.34	530.6	530.9	\$0.78
517.7	518.0	\$0.35	530.9	531.2	\$0.79
518.0	518.3	\$0.36	531.2	531.5	\$0.80
518.3	518.6	\$0.37	531.5	531.8	\$0.81
518.6	518.9	\$0.38	531.8	532.1	\$0.82
518.9	519.2	\$0.39	532.1	532.4	\$0.83
519.2	519.5	\$0.40	532.4	532.7	\$0.84
519.5	519.8	\$0.41	532.7	533.0	\$0.85
519.8	520.1	\$0.42	533.0	533.3	\$0.86
520.1	520.4	\$0.43	533.3	533.6	\$0.87
520.4	520.7	\$0.44	533.6	533.9	\$0.88
520.7	521.0	\$0.45	533.9	534.2	\$0.89
521.0	521.3	\$0.46	534.2	534.5	\$0.90
521.3	521.6	\$0.47	534.5	534.8	\$0.91
521.6	521.9	\$0.48	534.8	535.1	\$0.92

January

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July

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January

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April

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7	8	9	10	11	12	13
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21	22	23	24	25	26	27
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August

S	M	T	W	T	F	S
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4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
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September

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1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
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October

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		1	2	3	4	5
6	7	8	9	10	11	12
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November

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December

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8	9	10	11	12	13	14
15	16	17	18	19	20	21
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January

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July

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February

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August

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March

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September

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April

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October

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May

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November

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June

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December

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January

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February

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March

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April

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June

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July

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August

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September

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NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.

NOTES

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.

NOTES

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

NOTES

NOTES

This image shows a full page of a document template designed for handwriting practice or general writing. It features a series of evenly spaced, horizontal black lines across the entire width of the page. The lines are thin and consistent in thickness, providing a guide for letter height and placement. There are no margins, text, or other markings present on the page.

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